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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1089

January 4, 1938

RADIO PROBE; PRESS CONTROL ISSUES IN NEW CONGRESS

As in the first session of the 75th Congress, the big radio issues in the Second session, which opened this week, are whether Congress will decide to conduct a broad investigation of the broadcasting industry and the Federal Communications Commission and whether it will seek to curb newspaper control of radio stations. The decision in both cases probably will lie with the President and Administration leaders in the Senate and House. However, if the demand for either is strong enough, the inquiries may be conducted regardless of the Administration's desires.

Copyright and its relation to broadcasting again will be in the news as efforts are made to put through a new copyright measure.

The Mae West broadcast over NBC doubtless will add fuel to the fire that opponents of the FCC and the networks are building under Congressional leaders. A great deal also will depend upon whether Chairman Frank R. McNinch is able to convince Congress that he is doing a good job of house-cleaning.

Washington observers are inclined to believe that the press ownership curb may receive encouragement from President Roosevelt himself because of his critical attitude toward the press of the Nation. The President, on the other hand, has frequently commended the "neutral attitude" of the radio.

Senator Wheeler, Chairman of the Senate Committee on Interstate Commerce, who first raised the issue in Congress, has been strangely silent about the matter for the last several months. The support given the Montana Senator in his fight on the Supreme Court reform plan by the press may or may not be responsible for Senator Wheeler's apparent failure to pursue the proposal further.

A bill has been introduced in the House, however, by Representative Wearin (Democrat), of Iowa.

Favoring the press is the fact that this is an election year, and no member of Congress who is up for re-election will want to go out of his way to antagonize the press, either in part or in general.

Senator Wheeler also is the key man in the radio investigation, so far as the Senate is concerned. With Senator White (Republican), of Maine, out of the way as a delegate to the Cairo Conference, the matter is almost entirely in Senator Wheeler's hands either to bury or to sponsor.

A factor that will discourage the investigation is the haste in which members will be to return home to start campaigning. And, again, they won't want to take any chance of offending broadcasters.

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APPELLATE COURT RAPS FCC IN HEITMEYER CASE

Reversing the Federal Communications Commission in its denial of the application of Paul R. Heitmeyer for a new station at Cheyenne, Wyo., the United States Court of Appeals for the District of Columbia called the FCC action "arbitrary and capricious".

Associate Justice Justin Miller, a new member of the Court, wrote the opinion, in which he called the FCC to task for not making rules and regulations covering the determination of an applicant's financial qualifications.

The application was remanded to the FCC for further action. This means that the Commission must either grant a new hearing or take action without a hearing.

Concerning the financial qualifications of the applicant, the Court said:

"We look for some measure of financial qualification to guide us. We are referred to no rule or regulation of the Commission suggesting a rigid standard. On such an important question we think the public is entitled to have the statute implemented by a regulation setting out clearly and concisely just what the Commission regards as a minimum standard of financial ability.

"In this period of economic uncertainty financing reasonably assured five years in advance would seem to constitute much more than the average business security. We cannot require the impossible in attempting to guarantee safety. If the standard of financial responsibility required by the Commission in this case were imposed upon the country generally, business would cease. Under the circumstances, can it be said that the action of the Commission was anything but arbitrary, if not capricious?"

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NAB CONVENTION SCHEDULED; REORGANIZATION SUPPORTED

The Board of Directors of the National Association of Broadcasters last week approved the proposal of the NAB Reorganizing Committee that the annual convention of the organization be held at the Willard Hotel in Washington, February 14, 15, 16.

Edwin Spence, of WBAL, Baltimore, was named Chairman of the Convention Committee, while William Dolph, of WOL, Washington, was appointed Chairman of the Local Convention Committee. Others in the latter group are Harry C. Butcher, of WJSV, and Frank M. Russell, of WRC.

Meanwhile, Philip G. Loucks, Washington counsel for the Reorganization Committee, reported receipt of numerous favorable replies to the inquiry sent NAB members regarding the proposed shakeup in the NAB administration. The Committee was to meet again on Wednesday to consider some of the minor suggestions made by NAB members.

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RADIO SHOWED BIGGEST GAIN IN ADVERTISING FOR '37

Radio showed the biggest gain in advertising of any media during 1937, according to L. D. H. Weld, Director of Research, McCann-Erickson, Inc., whose analysis was carried in the annual financial review of the New York Times on January 3rd.

Explaining that the advertising situation varied greatly with the different media, Mr. Weld said that the outlook for 1938 is somewhat unsettled.

Radio gained 19.1 percent in advertising during the year. Outdoor advertising came next with a gain of 15.1 percent; magazines held up well with an increase of 11.8 percent, while the gains for newspapers and farm papers were 3.5 percent and 5.6 percent respectively.

Another boost for radio came in an article in the January issue of Fortune magazine, which showed that 88.1 percent of all American homes have radio sets now and listening-in has become the favorite form of recreation in the United States.

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Station KGAR, Tucson, Arizona, became available last week to all CBS clients as a bonus station when the Columbia outlet in Phoenix, Arizona (KOY) is used. This additional coverage for advertisers in the Arizona market will not change the minimum base rate of $125 per nighttime hour for Station KOY.

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ANY RADIO PROGRAM HAS LISTENERS, SAYS KAROL

The American radio audience today is so large that any program, at any hour, has listeners, John J. Karol, Director of Market Research for the Columbia Broadcasting System, stated at the annual meeting of the American Marketing Association in joint session with the American Statistical Association, at Atlantic City last week.

"How many, of course, depends on the program, the hour, and the stations", he added. "And advertisers, once their programs have been launched, are naturally more interested in the actual audiences to these programs than in the fact that 'everybody' today owns and listens to radio. We believe that radio has lent itself particularly well to measurements of its not advertising circulation. It has even been said that our measurements of actual listening audiences have stimulated the use of similar research techniques in other and older fields of advertising.

"The telephone was probably used in market research long before radio was born but I believe that the A. T. & T. should declare a special dividend on behalf of broadcasting, and I am not referring to the five million dollars paid annually for rental of lines nor to the hundreds of thousands of telephone calls which are received weekly by Major Bowes and his amateurs. Radio has found the telephone a particularly useful research tool because it enables us to obtain simultaneous records (as well as remembered impressions) by making thousands of interviews while a program is actually on the air and securing an adequate sample during the broadcast itself.

"There are a number of different types of telephone surveys and one of the most popular in current use is the so-called coincidental telephone survey. This method, as you probably know, consists of having trained investigators make random telephone calls while the program is actually on the air. While this type of survey does present factual evidence regarding the actual listening audience to a given program, it has several shortcomings from a pure research point of view. There are at present more than twice as many radio homes as telephone homes and only in the upper economic brackets do we find telephones and radios both in universal use. For the advertisers who seek to reach the masses, a low rating in telephone homes may not indicate a failure to reach the desired market. The telephone method is not entirely practical in small towns and rural sections. In spite of these weaknesses, however, the coincidental telephone survey offers a quick and fairly inexpensive means for an advertiser to determine what share of the total listening audience, among telephone homes, he may be reaching.

"Another type of telephone survey, which is now being used extensively by the Cooperative Analysis of Broadcasting, may be described as the unaided recall technique. In this

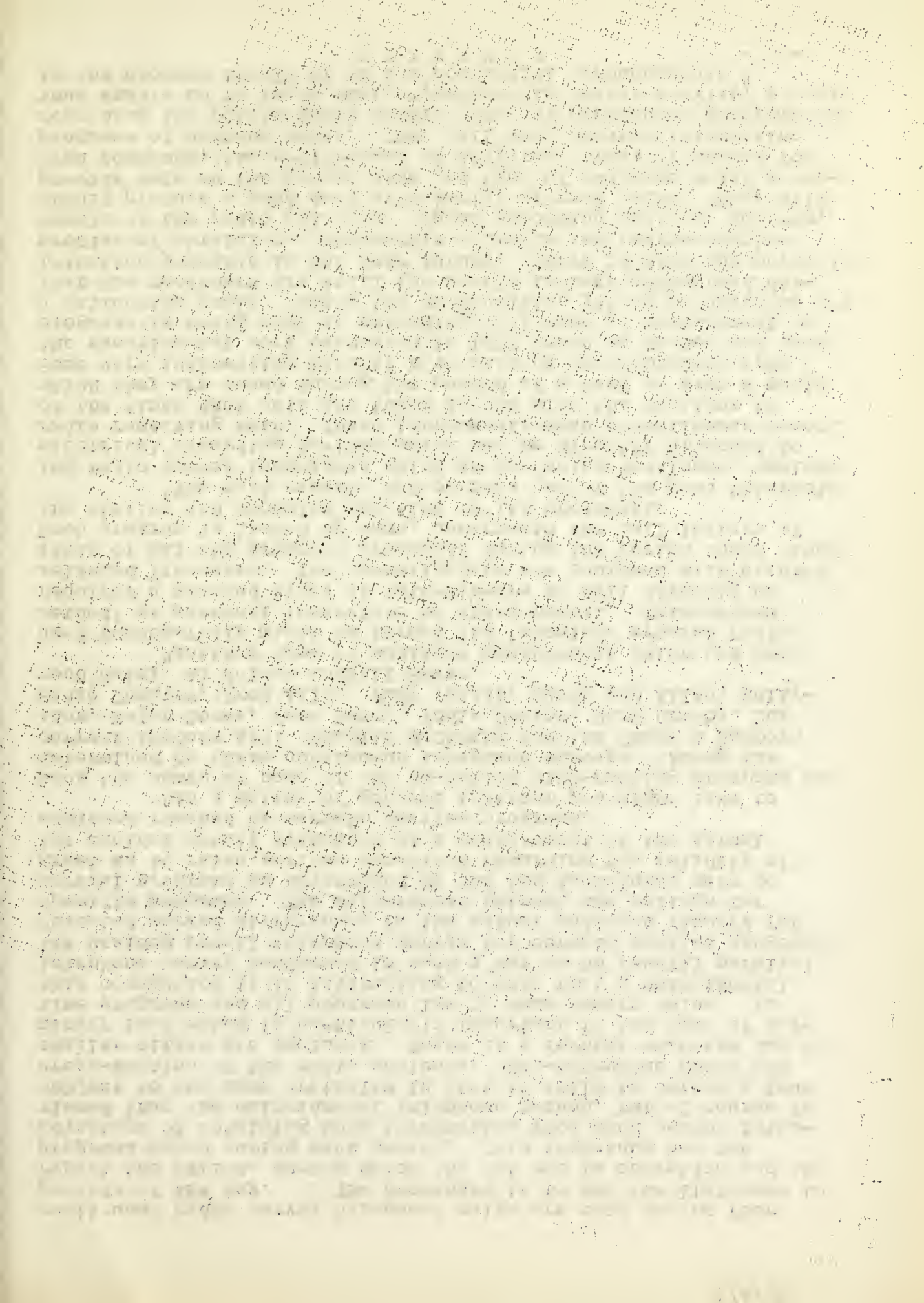
continuous radio survey telephone calls are made during four periods of the day. . . The procedure is to ask the listeners to report the periods during which the set was in operation and the programs heard during each period. This technique has the advantage of obtaining more information from each person interviewed than the coincidental telephone method, but of course is subject to the same criticism in that it fails to obtain a true cross-section of the radio audience. Non-telephone homes and smaller cities are excluded. There is a further weakness due to memory loss which is particularly important in the case of daytime programs and all programs low in name memory value. In this connection it is interesting to note that a coincidental telephone survey conducted in such a way as to exactly parallel the unaided recall telephone survey for certain daytime programs revealed marked differences in the actual audience figures for specific programs. The differences between the ratings for several programs as determined by the two techniques were so great as to raise serious questions regarding the validity of the unaided recall technique as a measurement of the actual audience reached by certain daytime programs.

"As a matter of general interest you might like to know the names of some of the so-called high-ranking programs as determined by these continuous telephone surveys. Among the current leaders are: Charlie McCarthy and the Chase & Sanborn show, Major Bowes, Jack Benny, Eddie Cantor, Bing Crosby, Lux Radio Theatre, Fred Allen, Rudy Vallee, Burns and Allen, Hollywood Hotel, Al Jolson andPhil Baker.

"Another type of audience measurement which has been used successfully might be termed the 'complete program roster method' or personal interviews by aided recall. This method requires a trained staff of interviewers to call directly on selected listeners. The investigators are equipped with printed lists of all the programs broadcast during the period under study. Each program is listed by name, underneath the call letters of the station and opposite the time of its broadcast.

"The most recent, and perhaps one of the most interesting radio survey techniques which is now being developed, employs electrical recording devices which can be directly attached to radio receiving sets. These instruments make a continuous record of the times when sets are tuned in and also the stations to which they are tuned during the period of a week or even a month. Some very interesting results have already been obtained from the experimental work conducted in 1000 homes in Boston and some progress is being made in extending this type of measurement to a nationwide scale. Among the difficulties yet to be overcome are that the recorders are still too costly to make widespread distribution possible in the near future. There is also the perennial problem of obtaining a thoroughly reliable and representative sample of the radio audience. These recording devices, however, should produce a good deal of material of real value. They will provide data on the actual size and type of audience which a program commands, the preferences of different types of people for programs of various sorts. They will even provide information regarding the points where people tune out particular programs and thus enable us to learn what objectionable features exist, if any, in the program itself or in the commercial announcements."

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RADIO CENSORSHIP BILL PONDERED BY SENATOR

Senator Clyde L. Herring (Democrat), of Iowa, is drafting a bill which would give the Federal Communications Commission authority to censor radio programs, especially as to the amount of advertising, he disclosed this week.

While the measure is conceded little chance of enactment, it probably will be introduced early in the session. Senator Herring also said he was considering a proposal that radio programs be financed by a tax on radio receivers as is done abroad and that advertising be eliminated.

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RADIO LARGE BUYER OF NEWSPAPER SPACE

The radio industry is one of the nation's largest buyers of newspaper advertising, according to a statement by the Philco Radio and Television Corporation, of Philadelphia.

Averaged over the whole field of business firms spending more than $50,000, radio is the fourth biggest newspaper customer, according to the latest complete figures, announced by the American Newspaper Publishers' Association. Automobiles head the list, with tobacco a close second and tires third. The radio industry, averaged, ranked sixth over the whole publishing field in the listing of those purchasing more than $50,000 of advertising space through the year.

Seven radio makers spent more than $5,182,000 on publications, with $3,675,000 of it assigned to newspaper advertising. The leader in advertising expenditures in publications, with a little less than one-third of the total, is Philco, which alone spent more in newspaper and magazine advertising than the publishers themselves.

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ELLIOTT ROOSEVELT HEADS HEARST RADIO, INC.

Elliott Roosevelt, second son of the President, has been promoted to the position of President and General Manager of Hearst Radio, Inc., of which he has been Vice-President for almost a year. He will be in charge of Hearst's ten radio stations and its short-wave activities. He succeeds Joseph V. Vonnolly as President and Emile J. Gough as General Manager. Mr. Connolly was named Chairman of the Board, while Mr. Gough resigned from the organization.

Young Roosevelt will maintain his Fort Worth, Texas, residence although he will spend most of his time visiting the ten Hearst stations.

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PAYNE CALLS WEST EPISODE EXAMPLE OF "LOW STANDARDS"

Commissioner George Henry Payne, arch critic of commercial radio programs, declared this week that the Mae West episode merely strengthened his case.

In an article appearing in the Brooklyn Tablet on January 1, the Commissioner said, in part:

"The Mae West program, which was broadcast over a national hookup on Sunday, December 12, is just an outstanding example of the low program standards in vogue among our broadcasters - nothing more. It is simply further evidence of something that is essentially bad and needs immediate correction. We could have expected this to happen at any time, as no serious steps to prevent the occurrence of such episodes have as yet been taken.

"Several years ago, in an address I delivered at Syracuse University, I began the battle for higher standards in broadcasting and have kept it up since. The public is now picking up the hue and cry. There is this much good in the Mae West program, that it has aroused the public to a realization of what may be thrust into their homes against their wishes and protests. There is also this additional good in it, that it may arouse the people to bring pressure to bear upon those of our public servants who are charged with responsibility in matters of this kind, to do something about it."

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TELEVISION PUBLICITY SAID TO HURT RADIO SALES

"Widespread publicity given to television is credited by radio set manufacturers as one of the reasons for the current let-down in their sales", according to the New York Times. "The economic recession has, of course, played the chief part in the downtrend, but manufacturers said that their volume would be considerably better if consumers were not led to believe that they will soon be able to buy television sets, thus leading them to hold off purchases of new radios.

"Radio manufacturers claimed that practical television is still a good way off, inasmuch as consumers when they start to purchase such sets will demand some assurance that there will not be over-night changes, such as the radio industry experienced. Stocks of radio sets have begun to increase, but according to one manufacturer are in no way topheavy as yet. December sales were not up to expectations, but he hoped for an upturn later in the Spring."

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DELLINGER SUBMITS REPORT ON LONDON CONFERENCE

Dr. J. H. Dellinger, Chief of the Radio Section of the U. S. Bureau of Standards, last week submitted to the Secretary of State a technical report on a meeting in London in November of a Special Committee on radio wave propagation.

The meeting was held as a result of the recommendation of the Bucharest Conference of the C.C.I.R. that a general report on radio wave propagation be prepared and distributed before the Cairo Conference.

The report deals only with engineering facts, Dr. Dellinger said, and does not take up controversial questions, nor does it mention any specific radio service such as mobile, fixed, or broadcasting.

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CONTROVERSIAL TALKS BARRED ON NBC COMMERCIALS

As a result of protests against the talk of the Japanese Ambassador following the "Panay" bombing, the National Broadcasting Company has announced a policy of barring all controversial addresses during commercial programs on the networks. The talks will still be permitted, however, as sustaining features.

The announcement was made in New York along with the disclosure that Dr. C. T. Wang, Chinese Ambassador, and Governor George Earle, of Pennsylvania, were refused permission to speak on the same commercial program that had presented Ambassador Saito.

Meanwhile, the sponsor of the commercial program, Josef Israels, 2d, President of Publicity Associates, which produces the Energine newsreel program, defended the Saito broadcast in a letter to the New York Times.

Replying to the protest of Carr V. Van Anda, former Managing Editor of the Times, Mr. Israels said, in part:

"Under our American broadcasting system a foreign Ambassador, an American Cabinet member or any one else whose remarks may be of interest to the public will reach the ears of a great number by appearing on established commercial programs. Their appearance implies no endorsement of the product paying for the time, nor is such endorsement conveyed in any way by the sponsors of the Energine news-reel."

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TRADE NOTES

R.C.A. Communications, Inc., celebrated the New Year with the opening of a new radio telegraph circuit direct to Reykjazik, Iceland, W. A. Winterbottom, Vice-President and General Manager of the Communication Company announced this week. The new circuit is the first direct communication facility of any kind ever to be established between the United States and the remote island in the Arctic.

Tens of thousands of additional families in Ohio, Indiana and Kentucky were brought within the service area of WSAI on Christmas morning when "Cincinnati's Own Station" went on the air with 5,000 watts. The hundred per cent increase in power was authorized Thursday, December 23rd by the Federal Communications Commission.

The National Broadcasters' Association is now prepared to make electrical transcriptions of speeches by members of Congress for broadcasting by member stations, James W. Baldwin, Managing Director, announced this week.

Mrs. Emma Ovenshine Harbord, wife of Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, left a net estate of $264,792, according to a transfer tax appraisal filed in New York last week. Mrs. Harbord died at their home in Rye, N. Y. on May 29th.

Station WOR's Sales Promotion Department is again the winner of one of the annual certificates of award presented each year by the American Institute of Graphic Arts to that advertiser whose promotion is most distinguished by its art, layout and copy. The WOR Sales Promotion Department was also the recipient of an A.I.G.A. award for the year 1936.

David Sarnoff, President of the Radio Corporation of America, stated last week that the option now held by the Atlas Corporation to purchase the present holdings of RCA in Radio-Keith-Orpheum Corporation for a total of $6,000,000 has been extended to June 30, 1938, in view of the fact that the RKO plan of reorganization is still pending before the court. In consideration of the extension of the option the Atlas Corporation and associates will purchase thereunder during January, 1938, one-twelfth of RCA's present holdings in Radio-Keith-Orpheum Corporation for $500,000 in cash. The agreement also provides that upon the further exercise of the option to the extent of an additional $500,000, the option on the remainder will be extended to December 31, 1938.

Announcement was made last week by Commissioner Thad H. Brown, who has been designated by the Federal Communications Commission to have charge of the Great Lakes and Inland Waters Survey, of the appointment of Dr. Marvin L. Fair as Research Directorfor the Survey. Commissioner Brown said that Dr. Fair woudl take active charge as Research Director on February 1, when he would take a leave of absence from his position as Professor of Transportation and Public Utilities at Temple University, Philadelphia, Pennsylvania. He will devote part time to the work until that time. Commissioner Brown stated that Dr. Fair would work in association with Dr. G. Lloyd Wilson, who was appointed on December 17 as Research Consultant for the Survey.

The present business recession is a temporary one and probably beneficial, according to Harry Boyd Brown, Merchandising Manager for the Philco Radio and Television Corporation.

"No one need fear the future with any great degree of foreboding", Mr. Brown stated. "Business is like a sick patient who started recovering from a long illness too quickly. The patient begins to feel so well that he becomes too active and too optimistic about his real condition. He is on the road to health but he tries to get there too quickly. As a result, he suddenly develops spells of weakness and fits of depression. He feels he is getting sick again, and can't understand it -- whereas, in reality, he is getting better and will be even sounder for his temporary weakness."

Salaries of officials of the RCA and subsidiaries were included in the list of salaries of more than $10,000 a year in the communications field as reported last week by the Federal Communications Commission. They were:

Radio Corporation of America - President and Director, $75,000; Chairman of Baord and Director, $54,000.

R.C.A. Communications, Inc. - Vice-President, General Manager and Director, $22,500.

Radio Marine Corp. of America - President and Director, $20,000

At the close of a year marked by the doubling of its jobber business, the Clarostat Mfg. Co., Inc., Brooklyn, N. Y., views the next twelve months in the most optimistic light with regard to the parts business and the servicing trade.

"With more sets in use than ever before, and with the two- and three-set home quite commonplace, we are building up an enormous potential market for replacement parts and servicing", states Vic Mucher, who is in charge of Clarostat sales. "Late in 1937, with a momentary falling off in radio set sales, there was a noticeable pickup in replacement parts sales because set owners were obliged to recondition their old sets to keep them going."

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LOHR SAYS NBC MET OBLIGATIONS IN 1937

"In 1937, the first year of NBC's second decade, it is not enough for the National Broadcasting Company to look back on the twelve-month period and point with satisfaction to significant contributions in various phases of radio broadcasting", Lenox R. Lohr, NBC President, stated in his year-end review. "Today, we must consider our obligation of service to a public that daily is growing more conscious of cultural and educational values. How, we may be asked, have we met this obligation during the past year?

"In the field of music, our efforts to improve the quality and enlarge the reception of this art-form throughout the country culminated in obtaining the services of Arturo Toscanini, the world's greatest living symphonic conductor, and assembling the first full-strength symphony orchestra ever to be maintained by an American broadcasting company exclusively for the radio public's enjoyment.

"In the educational aspects of broadcasting, the Company has been fortunate in the association of Dr. James Rowland Angell, who comes to the post of educational counselor after sixteen years of distinguished service as President of Yale University. . .

"On all matters of public question throughout the year, we have carefully maintained a policy of presenting over the air, fairly and impartially, both sides of the issue. . .

"In television, we have begun to accumulate operating experience against the day when this art becomes a commercial actuality. More than 60 television demonstrations have been given by NBC in the past year; nearly 300 persons have appeared before our television cameras; full-length drama has been presented, using five different studio sets, and film taken especially for the production. A most recent development is America's first mobile television station, the RCA-NBC Telemobile transmitter, to be used during the coming year for experimental televising of outdoor news events.

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FCC RELEASES ANNUAL REPORT

The Federal Communications today (Tuesday) just released its annual report. This consists of about 200 pages and is concerned with a review of its accomplishments during the past year and contains a good deal of technical data.

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CBS 1937 EXPANSION SETS DECADE MARK

Columbia's 1937 program of construction and station improvement exceeded in scope that of any previous year in the network's decade of uninterrupted expansion, according to a CBS statement. Coupled with this building program were record advances in general broadcast engineering, high-frequency experimentation, international short-wave transmission, and television research.

Twenty-one new stations joined the Columbia network since last January. Of these 18 represent network coverage of new areas; the other three, improved facilities. Of the 111 outlets now comprising the coast-to-coast chain, over half built new studios, installed new vertical antennas, increased their power, or made other major improvements in transmission facilities.

"In short-wave, Columbia took the most important step since it entered the field in 1929", the report said. "A new and highly efficient short-wave transmitter and directional antenna systems were set in operation at Columbia's international station, W2XE. Over it last last May was inaugurated a daily program service to Europe and South America. During the first eight months of operation, the transmitter carried over 6,000 broadcasts especially arranged for foreign audiences by a separate program department.

"Activities of the CBS General Engineering Department reached a new peak during 1937. In addition to the operation of W2XE, the department supervised the operation of some two dozen short wave and experimental transmitters throughout the country. In the broadcast field, the department not only supervised the operation of some two dozen short wave and experimental transmitters throughout the country. In the broadcast field, the department not only supervised the engineering activities of Columbia's nine owned and managed stations, but rendered a consulting service to the other 102 stations as well.

"One of the most interesting engineering feats of the year was the complete rebuilding of Columbia's vast master control system in New York. For eight months, while complex network operations were carried on uninterrupted, crews of technicians worked night and day to rebuild the 38 huge racks of equipment.

"In television, advances were made simultaneously on both the engineering and program fronts. Construction began on the new CBS visual transmitter, which is now undergoing final tests before installation in the Chrysler Tower. Late in the Summer, announcement was made of a television studio project to be established in the Grand Central Terminal Building and connected by co-axial cable with the transmitter nearby.

"Research and experimentation in the technical aspects of television were conducted during the year by a large engineering staff under the direction of Dr. Peter Goldmark."

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SARNOFF CITES RCA'S PROGRESS DURING PAST YEAR

The Radio Corporation of America experienced increases in volume of business in each of the three fields that it occupies - communications, broadcasting, and manufacturing - David Sarnoff, President, declared in his annual statement.

"In the field of communications, the volume of messages transmitted between the United States and other countries, and between shore stations and ships at sea, showed a material increase over any previous year", he said. "The overseas transmission of broadcast programs and of photographic reproductions likewise increased in volume.

"In the field of broadcasting, sales of network time by the National Broadcasting Company were the largest in the company's history. The number of NBC affiliated stations was increased to a total of 143, thereby making NBC programs available to almost every radio home in the United States. During the year the NBC put into operation a comprehensive service of radio programs transmitted by directional shortwave to listeners in Europe and Latin America.

"In the field of manufacturing, the sale of RCA Victor products enjoyed a substantial increase over the preceding year. The development of electric tuning met with widespread public acceptance, and brought about pronounced changes in set design.

"The RCA Television System is steadily progressing toward the ultimate goal of a public television service. Outstanding television advances during the year include the development of more sensitive Iconoscopes, and of larger Kinescopes, presenting black-and-white instead of tinted pictures; the projection of television pictures onto a 3' x 4' screen; the successful transition from 343 to 441-line scanning; and the development of a mobile truck-unit for outside program pickups. RCA Kinescopes and other special articles of equipment have been made available for amateur television experimentation."

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MANAGEMENT IN RADIO IMPORTANT, SAYS FLAMM

"Management in radio has a distinct responsibility to the community it serves", Donald Flamm, President of the Knickerbocker Broadcasting System, said this week. "It is my feeling that that responsibility can best be met by broadcasting programs which reflect the interests of the listening area within the scope of a radio station.

"Accordingly, during 1938, WMCA will continue to originate and broadcast programs which are representative of metropolitan New York and which reflect the life and temperament of its eleven million residents. This is a responsibility far greater in scope than can be described through any year-end statement.

"Briefly, however, it means that WMCA during 1938 will stress not only the entertainment value in radio, but will extend its influence in education, news and features of vital human interest."

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Samuel L. (Roxy) Rothafel, who died on January 13, 1936, left a net estate of $215,560, according to a transfer tax appraisal filed in New York last week. The entire estate goes to his widow, Mrs. Rosa Rothafel of 25 East Seventy-seventh Street.

The principal asset of the estate was insurance totaling $215,537. Other assets included an approved claim against the Radio-Keith-Orpheum Corporation, in reorganization, valued at $77,972, and cash amounting to $2,512. Mr. Rothafel's gross estate was valued at $296,423. Debts amounted to $70,958 and funeral and administration expenses to $9,905.

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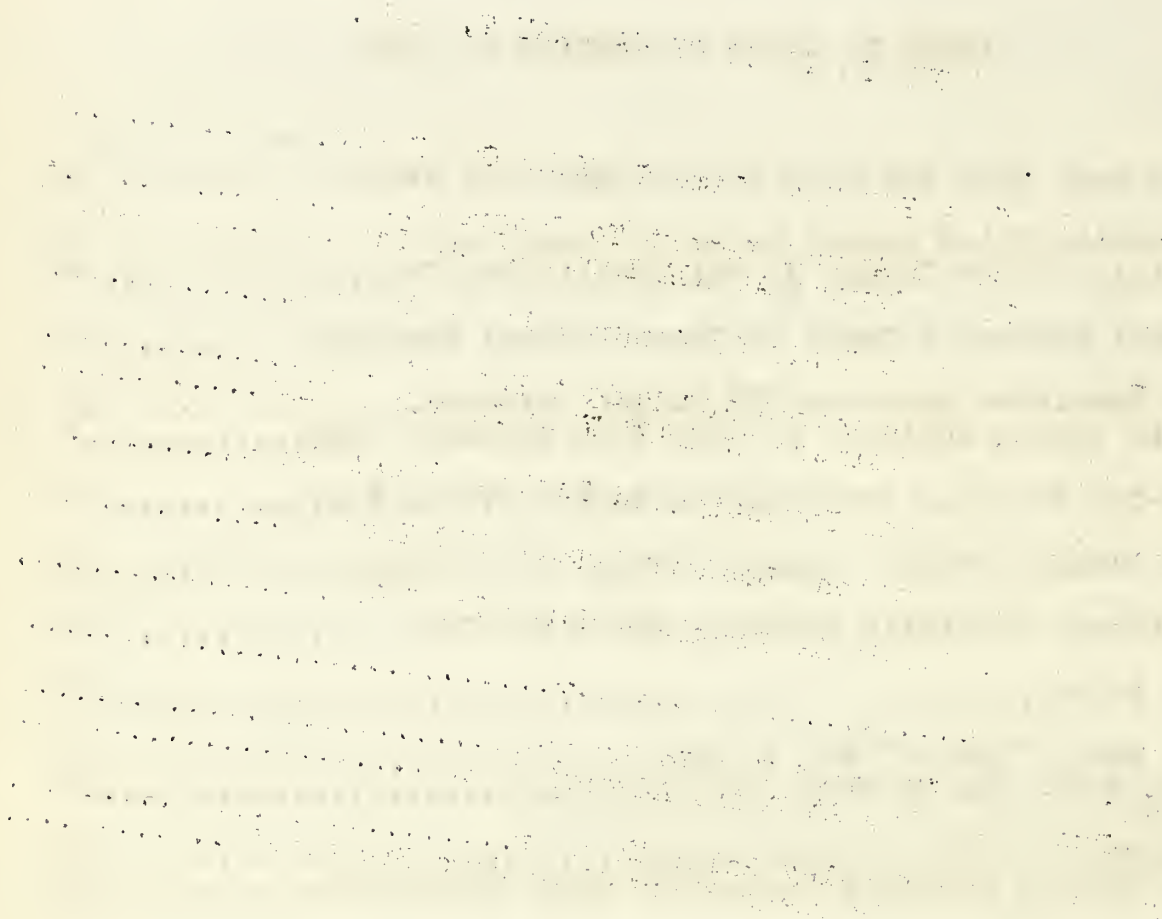
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CRAVEN ASKS THAT FCC HAVE TIME TO MAKE OWN PROBE

Commissioner T.A.M. Craven, who this year bore the brunt of the annual Congressional cross-fire during appropriations hearings, urged the House sub-committee to give the Federal Communications time to finish its own job of house-cleaning before a Congressional investigation is launched, it was disclosed this week.

The text of hearings, released when the independent offices appropriations bill was reported to the House on Thursday, also revealed that Commander Craven is preparing to propose an entirely new policy with respect to experimental licenses and that he has "grave doubts" as to the feasibility of super-power, such as that used by WLW, Cincinnati.

Representative Wigglesworth (Republican), of Massachusetts, proved the most belligerent inquisitor of the Commissioner, as he was last year. Much of the same ground with regard to license transfers and taxation of stations was gone over during the executive hearings.

Asked by Representative Wigglesworth whether he did not believe a sweeping investigation by Congress would be desirable, Commissioner Craven said:

"Frankly, I do not. I think that the Commission should be given an opportunity to do a job, and then to report to Congress.

"While I think that Congress is very efficient, I believe that there should be first a complete study on the part of the Commission so that Congress will be without the necessity of going through a long-drawn-out investigation to secure a complete study of all the factual elements in the matter, including all of the economic relationships. This study has not yet been made by the Commission, but I think it is necessary for it to do so."

Commissioner Craven, who has not yet submitted a promised report on the economic phases of a new broadcasting reallocation and super-power, spoke several times of the necessity of considering the social and economic phases of broadcasting along with the engineering principles.

Asked his opinion about the use of super-power, Commander Craven said:

"My personal opinion is that from an engineering standpoint, better service to rural areas can be rendered with

higher power, but in relating such higher power to the question of broadcasting in this country, I have grave doubts that such higher power should be permitted at this time. In other words, I personally believe that from an economic and social standpoint 500 kilowatts may be too much power under our scheme of broadcasting. In my opinion, additional proof is necessary to justify such power as 500 kilowatts."

Representative Wigglesworth interrupted: "Is there any justification for the power in that particular station to which you are undoubtedly referring, WLW?"

"I think that we learned a whole lot and will learn much more in respect to having a station with that power", Commissioner Craven replied. "I think that we may have learned enough from it to know what to do.

Representative Wigglesworth subsequently referred to WLW as "Michaelson's station".

During a discussion of experimental licenses, Commissioner Craven told the sub-committee:

"I cannot make any statement as far as the Commission as a whole is concerned, but I have in mind requesting the other members of the Commission to adopt an entirely new policy with respect to experimental licenses, going to all phases of the several classifications of experiments, one of which is a bona fide attempt by anybody, any small inventor who needs the use of radio, to get it without much expense and trouble, provided that he is legally qualified to hold a license.

"I do not think that the Commission should have such rules as would prevent genuine experimentation on the part of a small and poor inventor.

"From this small start, the type of experimental license becomes more difficult to justify, until you get to the type where there is a commercial experiment, or an experiment leading up to commercialism. That in my opinion should be the most difficult to obtain under the guise of an experimental license."

When the subject of how radio is operated in European countries arose, Commissioner Craven said:

"In my opinion I feel that government operation of radio in any real democracy is somewhat of a debatable subject."

The sub-committee, before it finished, delved into the Segal-Smith case, Commander Craven's experience as a private consulting engineer, and the RCA-Mackay fight over licenses to operate radio communication stations in foreign cities.

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FCC SUBMITS THIRD ANNUAL REPORT TO CONGRESS

The Federal Communications Commission this week submitted its third annual report to Congress, covering the fiscal year which ended June 30, 1937. Consequently the report, though submitted by Chairman Frank R. McNinch, includes none of the reforms that he has instituted since he took office in the late Summer.

Judge Eugene O. Sykes, former Chairman of the now defunct Broadcast Division, made the report, with the aid of Norman S. Case, Vice Chairman, on broadcasting developments.

During the year the Commission received 295 applications for new broadcast stations and granted authority for the construction of fifty-one stations, the report disclosed. Seven stations were eliminated and at the close of the year, 704 regular broadcast stations held licenses, an increase of forty-four since June 30, 1936.

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TELEVISION TO BE TAUGHT AT RCA INSTITUTES, INC.

A two-year term in television will be added next Spring to the curriculum of RCA Institutes, Inc., which has schools in New York and Chicago, it was disclosed this week in the agency's annual report. The course in television will be available only to those operators and radio engineers who have completed the general course.

The student body at RCA Institutes, Inc. has been steadily growing for the past few years, the report states, and reached a height of 905 in 1937, about two-thirds of these being in the New York school and the remainder in Chicago. To these must be added 25 RCA employees who are receiving free instruction in the schools - RCAI's contribution to RCA's leadership.

Most of the students are in the general course, which requires fifteen months for completion, in the day classes, and three years if night instruction is taken. In March of 1938 this day term will be extended to one year and a half, in order to bring more fitting instruction into the course for the recent and rapidly expanding activities of radio and electronics.

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MAE WEST BROADCAST TOPIC OF CONGRESSIONAL HEARING

The now famed "Adam and Eve" skit in which Mae West appeared on an NBC commercial program recently came in for critical discussion during hearings on the Federal Communications Commission's fiscal estimate before a House sub-committee of the House Appropriations Committee, the printed hearings disclosed this week.

Representative Fitzpatrick (Democrat), of New York, injected the issue into the hearing and asked Commissioner T.A.M. Craven if the FCC could do anything about such broadcasts.

"If we find that the operation of a station is not in the public interest because of poor programs, we can take action against them in the renewal of their licenses."

Commissioner Craven said he had not heard the Mae West broadcast, but Representative Dirksen (Republican), of Illinois, stated that he "had heard every word of it."

"While I feel it was in bad taste, I don't know anything you could do about it", he said.

Next came the following colloquy between Representative Fitzpatrick and Commissioner Craven regarding the censorship of radio programs and advertising:

Mr. Fitzpatrick. You can censor anything that you believe is not proper?

Mr. Craven. The question of censorship is a very basic one, and perhaps requires study on the part of Congress. It is a major question.

Mr. Woodrum. At any rate, you never undertake a censorship?

Mr. Craven. We don't undertake any censorship.

Mr. Woodrum. Unless you come to the point of saying that the action of a station in doing this or that or not doing this or that or the other is not in the public interest; and that, of course, raises a broad fundamental question.

Mr. Craven. A very broad fundamental question. It goes to the very fundamental conception of radio public service.

Mr. Fitzpatrick. I am wondering whether you could stop the advertisers of public medicines from saying that they can cure any kind of diseases. I don't know whether you can stop any of that or not.

Mr. Craven. I can say this: Insofar as the Commission is concerned, we do expect to make a study of that subject.

Mr. Fitzpatrick. I think a study ought to be made of it, because, after all, the public is listening to those people. There are lots of people who are not intelligent enough to know that they cannot be cured of these ailments, and they are going to purchase these medicines and send their money. Something ought to be done.

Mr. Craven. Yes. But there is a very grave question of constitutional rights with respect to censorship which we must regard as well as everybody else. The determination of these policies may have to come to Congress.

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HOUSE COMMITTEE APPROVED FCC BUDGET ESTIMATE

The House Appropriations Committee this week approved the budget estimate of the Federal Communications Commission in reporting the supply bill of the independent offices.

The estimate for the next fiscal year is $1,700,000, which is $17,000 under the appropriation for the current year. It granted $20,000 for a continuance of a special study of radio requirements for the Great Lakes and other inland waters. The latter is a reduction of $7,820 under the budget but is a continuation of the amount of the 1938 appropriation.

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NETS DO RECORD BUSINESS IN 1937 WITH DECEMBER HIGH

The two major networks - NBC and CBS - enjoyed the most prosperous year of business in their history in 1937, they disclosed this week, and reached new highs for December.

Columbia billings for December totaled $2,786,618 - the highest figure for any month in CBS history. This represents an increase of 14.5% over the December, 1936, total of $2,433,353.

The cumulative total for CBS time sales for 1937 is $28,722,118 - a 24% increase over 1936.

Advertisers' expenditures for time on two NBC networks were higher in December than in any other month of 1937, the second highest for any month in the company's history, and brought the year's total to a record peak.

The total for the month was $3,639,086, which was 2.3 percent above the December, 1936, total of $3,558,590, and 7.6 percent above the November, 1937, billings of $3,381,346. The only month to exceed the December, 1937, figure was October, 1936, when the bulk of the 1936 presidential campaign revenue boosted the total $57,403 above the December, 1937, billing.

The total NBC billings for 1937 amounted to $38,651,286, up 12 percent over the 1936 total of $34,523,950.

New shows just scheduled on NBC bring the number of new programs starting this month on the Blue and Red networks of the National Broadcasting Company to a total of eighteen.

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SIXTY-ONE STATIONS INVESTIGATED DURING FISCAL YEAR

The Federal Communications Commission closed investigations against sixty-one broadcasting stations during the last fiscal year, it disclosed in its annual report to Congress. Fifty-seven were adjusted informally, and four were the subject of hearings. No station had its license revoked.

"The majority of the investigations conducted with regard to complaints received concerning the program service of broadcast stations have resulted in informal adjustments", the report stated. "Other complaints involving possible violations of the act and the rules and regulations of the Commission, including the broadcasting of lotteries, medical programs, and fortune-telling programs, and the illegal assignments of licenses and transfers of the control of licensee corporations, have been investigated, and appropriate action has followed either by way of adjustment or by the designation of applications for renewal of licenses for hearing.

"Section 315 of the Communications Act requires that equal opportunity for broadcast be consistently afforded by stations to all regularly qualified candidates for public office. Many complaints were received during the Fall of 1936, an election year, involving the requirements of this section and in every instance they were adjusted by calling the attention of the station licensee to Section 315 of the act."

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Trainmen foresee "end-to-end" radio communication on long freights as a substitute for whistle signals, by short-wave stations in the engine cab and in the caboose. The Pennsylvania Railroad recently tried out the sets on a thirty-mile run from Philadelphia to Paoli, Pa., in a thirty-car freight and announced that it hoped eventually to install them throughout its system.

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HOUSE ADMINISTRATION LEADERS OPPOSE FCC INQUIRY

The attitude of the Administration toward proposals for a sweeping investigation of the broadcasting industry and the Federal Communications Commission was disclosed this week on the House floor after Representative Wigglesworth (Rep.), of Massachusetts, had renewed a demand for an immediate probe.

Representative Woodrum (Dem.), of Virginia, who is close to President Roosevelt, took the floor to urge that Frank R. McNinch, Chairman of the FCC, be given ample time to put through his reforms.

Stating that the President had recognized the need for an overhauling of the radio administration when he appointed Mr. McNinch, Representative Woodrum said:

"I believe it is only fair to give Mr. McNinch the opportunity to do the job that the President has turned over to him, and I hope that Congress will permit that. I do not mean any whitewashing proposition or to put it to sleep, but the opportunity should be given him to clean up the FCC, if it needs it, and to correct these abuses that have been called to our attention."

Representative Mead (Dem.), of New York, also an Administration man, said:

"I think we are all in sympathy with the objective outlined by the gentleman from Massachusetts, but we are in agreement also with the suggestion of the Chairman of the subcommittee on Appropriations (Woodrum). This man who was recently appointed, and in whom we have explicit faith, will do a good job if we allow him the opportunity."

Besides Wigglesworth, Representatives Sirovich (Dem.), of New York, and McFarlane (Dem.), of Texas, joined in the round robin of cross-fire at the FCC and "monopolies" in the broadcasting industry.

Representative Wigglesworth charged NBC, CBS, and Mutual with being monopolies and demanded an immediate investigation.

Asked by Representative Sirovich whether or not he favored divorcing newspapers from radio stations, Representative Wigglesworth declined to express an opinion but admitted it is "a very fundamental question".

He inserted in the record a list of applications for consent to transfer licenses, together with financial statements on the stations, and the FCC action. While some of the deals showed substantial profits, others revealed that the sale price was below the original cost of the fixed assets.

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TELEVISION, FACSIMILE PROGRESS NOTED BY FCC

Technical progress in both television and facsimile transmission was noted by the Federal Communications Commission in its annual report this week, but in both the Commission held that the time is not ripe for public use or commercialization.

Technical developments in the art of broadcasting were set forth as follows:

"There have been several new technical developments in the broadcast industry. Although some of these have been known or in limited use before, they have only recently been used to any extent by broadcast stations.

"A number of broadcast stations have installed shunt-excited (grounded) antenna systems, which are designed to reduce costs and minimize the effect of lightning. The latter is very troublesome to broadcast stations located in areas subject to frequent and severe electrical storms.

"A new high-efficiency linear-power amplifier for modulated waves has been developed to reduce the consumption of power, the size of the high-voltage transformer and rectifier and the cooling system, which are important items in the operating costs of stations, particularly of those stations operating with high power.

"The use of 'reverse feedback' to reduce distortion and noise in the transmitted signals has been incorporated in a number of transmitters with very satisfactory results.

"Automatic overmodulation limiters have been placed on the market, which permit maintaining a high average level of modulation without causing undesirable overmodulation.

"Phase indicators have been developed which are invaluable not only in the first adjustment of directional arrays but in maintaining the proper adjustment.

"There have also been several developments in broadcast-receiver design (directly mainly to improve the ease of manipulation or the fidelity in reproduction), two of which are automatic-tuning and volume-expansion circuits. Receivers so equipped have improved the quality of reproduction by the elimination of the distortion and interference due to improper tuning and by an increased extension of the volume range. None of the receiver developments has any substantial effect on the allocation of broadcast stations."

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The installation of a new radiobeacon is just now being completed by the Lighthouse Service at Old Mackinac Point Light Station, in the Straits of Mackinac, Michigan, according to a report made public by the Commerce Department. This radiobeacon is so located that it can be of much service to cross Straits ferry traffic, particularly during the Winter months when the floating aids to navigation are removed because of ice.

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TRADE NOTES

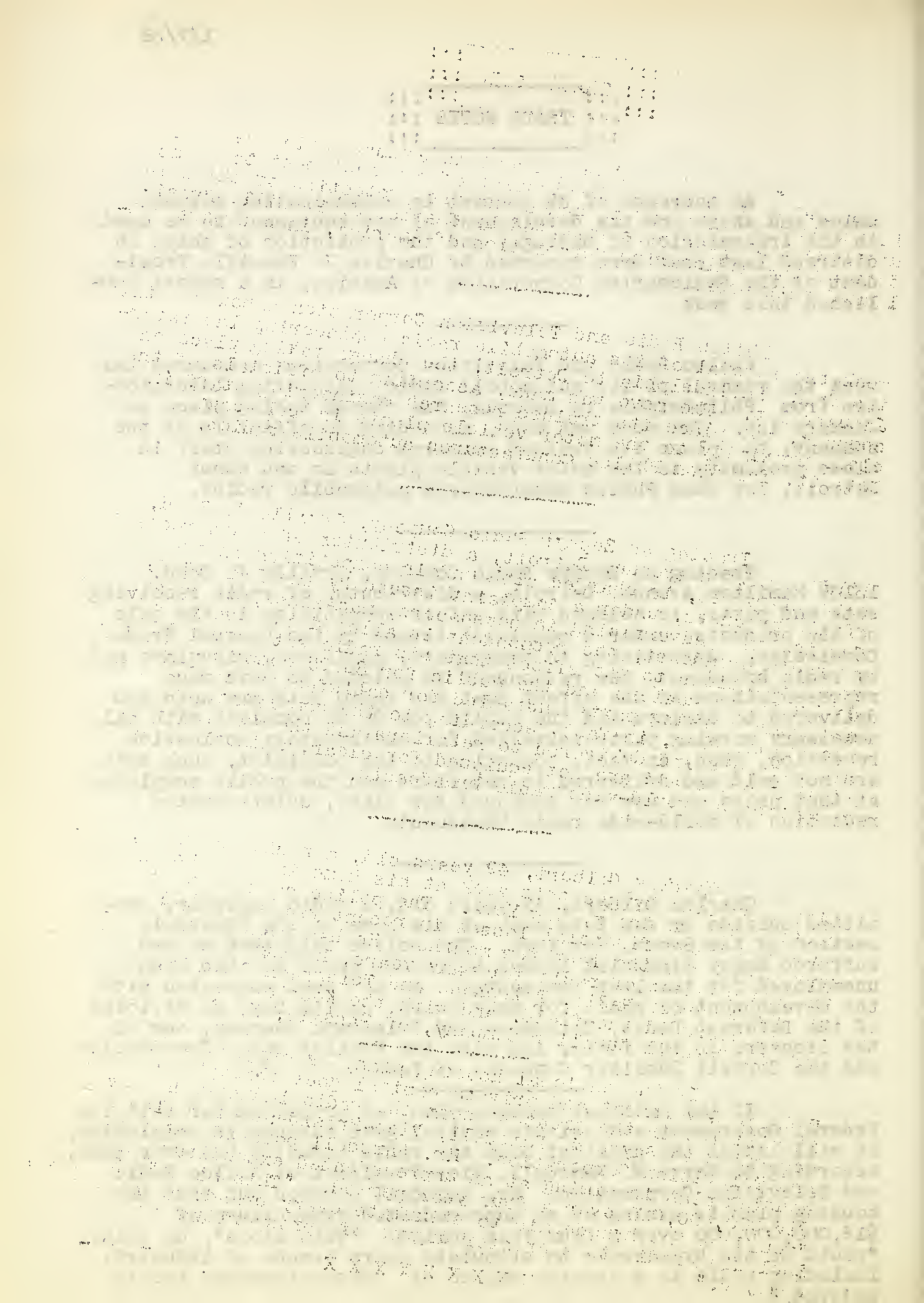
An increase of 39 percent in communication between ships and shore and the development of new equipment to be used in the transmission of messages and the protection of ships in distress last year were reported by Charles J. Pannill, President of the Radiomarine Corporation of America, in a report published this week.

Philco Radio and Television Corporation announced this week the removal of its automobile radio engineering laboratories from Philadelphia to Detroit, the change taking place on January 1st. The move was made, according to officials of the company, to place its trained research engineering staff in close proximity to the motor vehicle plants in and about Detroit, for whom Philco manufactures automobile radios.

Trading as Zephyr Radio Company, Orville J. Bond, 13139 Hamilton Avenue, Detroit, a distributor of radio receiving sets and parts, is charged with unfair competition in the sale of his products, under a complaint issued by the Federal Trade Commission. Advertising in newspapers, magazines, circulars and by radio broadcast, the respondent is alleged to have made representations to the effect that his radio sets are sold and delivered to dealers and the public for $6.95 complete with all necessary working parts installed for satisfactory world-wide reception, when, in fact, according to the complaint, such sets are not sold and delivered to retailers and the public complete at that price and are not equipped for clear, uninterrupted reception of world-wide radio broadcasts.

Charles Gilbert, 49 years old, a radio engineer, committed suicide by gas this week at his home in the Riverdale section of the Bronx, New York. The police said that he had suffered heavy financial losses in recent years and had been unemployed for the last few months. He had been connected with the development of radio for many years, having been an official of the DeForest Radio, Telephone and Telegraph Company, one of the pioneers in the field, and with the Kostler Radio Corporation and the Cornell Dubilier Company, of Passaic, N. J.

If the national housing plan, as projected for both the Federal Government and private capital goes through to completion, it will launch the greatest boom the radio industry has ever seen, according to Sayre M. Ramsdell, Vice-President of Philco Radio and Television Corporation. Mr. Ramsdell pointed out that the housing plan is aiming at an unprecedented expenditure of $16,000,000,000 over a four year period. "This alone", he said, "would be the hypodermic to stimulate every brandh of industry, including radio to a greater degree of prosperitynever before enjoyed."



RADIO WAVES "BOUNCE" WAY TO EUROPE

Radio sounds going to Europe - such as President Roosevelt's recent message to Congress - do not chug along smoothly like the train or sedate ocean liner, but in contrast "bounce like a rubber ball."

The National Geographic Society took occasion to point this out in a statement this week on the modern wonders of radio communication and the extent to which radio has abolished geographical barriers.

"Radio short waves in crossing the ocean are not content to chug along like a sedate ocean liner", it was explained. "They are too exuberant for that. They must bounce up and down between sea and sky as a rubber ball bounces between your hand and a sidewalk. They travel on land the same way.

"What is there in the sky for them to bounce against? Not clouds, for they bounce higher than the clouds. Looking upward, nothing is visible, but there is something there. It is a nebulous layer of electrified particles between 10 and 200 miles up, a kind of shell surrounding the earth as a rind surrounds a melon.

"Sometimes this is called the 'radio roof' or the 'ionosphere.' One can see through it on out toward the stars, and if one were in the middle of it, he would not know it was there. Nevertheless, it stops the radio waves and reflects them back toward the earth as a mirror reflects a beam of light.

"Modern radio makes it possible for a man's voice to 'put a girdle 'round the earth' in far less than the 40 minutes required by Puck in Shakespeare's 'Midsummer Night's Dream.' Not even 40 seconds is required today. In a recent test a man's voice traveling by a combination of radio short-wave circuits and telephone wires girdles the earth in one-third of one second.

"How far flung an audience is brought within easy range of the President's voice by radio is indicated by the vast distances bridged even by ordinary, everyday radio telephone conversations between the United States and foreign lands.

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EX-PUG TAKES RAP AT RADIO ADVERTISING

Gene Tunney, former heavyweight boxing champion, just elected Chairman of the Board of the American Distilling Company, said there were great opportunities in the distilling industry and that "high-pressure salesmanship must be discarded; advertising, such as road signs and radio, which the public has no choice in rejecting should, in my opinion, be curtailed."

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JENNINGS NOW CROSLEY SALES MANAGER

James D. Shouse, Vice-President and General Manager of the broadcasting activities of the Crosley Radio Corporation, announced this week that Robert G. Jennings, who has for some time been a Vice-President of the company, will henceforth be General Sales Manager of WLW and WSAI and Assistant General Manager of the station.

Coupled with the recent appointment of Trans-American Broadcasting and Television Corporation as exclusive national representatives of the stations, this re-alignment in the Crosley broadcast division presages an aggressive and comprehensive future sales policy of WLW and WSAI, in which the field of merchandising and sales service will be considerably broadened.

Mr. Jennings, who joined the Crosley organization early in January, 1935, as Sales Manager of WSAI, has a wide knowledge of the radio industry, particularly from the standpoint of sales, merchandising and programming. He was appointed Manager of WSAI March 1, 1937, and later in the year became Program Manager of both WLW and WSAI.

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JAPAN EXTENDS OVERSEAS SHORT-WAVE NEWS BROADCASTS

Attempting to offset criticism of the Japanese invasion of China and what it terms "Chinese propaganda", the Broadcasting Corporation of Japan disclosed this week that it is now broadcasting news reports in six languages and plans to broaden its overseas short-wave service.

"In order to supply our listeners with the latest and most authentic information in regard to the Far Eastern situation", the announcement states, "we have been including in our program to Europe, a daily news report in Japanese, English, French and German. For our South Seas program we have added a daily 10-minute news report in the Chinese language. Since August also we have been including Spanish in our programs for the eastern district of North America and South American countries; we shall add a daily news report in Portugese in these programs soon."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1091

January 11, 1938

50 KW. POWER RECOMMENDED FOR WRVA, RICHMOND

An increase in power from 5 KW to 50 KW was recommended to the Federal Communications Commission this week for Station WRVA, Richmond, Va., by Examiner Robert L. Irwin.

The recommendation comes at a time when the FCC is preparing to study the question of higher broadcasting power involved in its own Engineering Division report and the North American agreement that was drafted at the Inter-American Conference in Havana.

The Examiner, in his report, called attention to the varied public services of Station WRVA and the need for additional service in the Richmond area. Station WRVA, if its application is granted by the FCC, will use a directional antenna.

Station WRVA, which is owned by the Larus & Brothers Co., tobacco manufacturers, was the first broadcasting station in the country to use a wooden tower for its transmitter. It is managed by C. T. Lucy.

Frank D. Scott, as counsel for the station, brought out at the hearing that the antenna and equipment to be installed by Station WRVA would cost approximately $200,000. The applicant already has an investment of more than $240,000 in the plant, which includes five studios, several business offices, and a reception lounge, and control rooms.

Station WRVA maintains 11 permanent lines to the State Capitol, hotels, churches and amusement places. The various departments of the State government have used the station almost exclusively for broadcasting informational programs, and special programs include addresses by the Governor, openings of the General Assembly, and important Legislative Committee hearings.

At the same time, another Examiner, John P. Bramhall, filed an adverse report on the application of John Stewart Bryan, Richmond publisher, for a permit to establish a station in Petersburg, which is within a few miles of Richmond.

Examiner Bramhall, considering three applications for the same facilities, 1210 kc., recommended that the license be granted to the Pettersburg Newspaper Corp., of which Walter Everett Harris is President. The applicant is editor of the Progress Index, a daily newspaper in Petersburg.

Examiner Tyler Berry recommended that a permit be granted for a new station at Salisbury, N. C., to operate on 1340 kc. with 1 KW power, daytime. The applicant is Burl Vance Hedrick.

Other reports submitted by Examiners to the FCC recommended that:

WELI, New Haven, Conn., be granted authority to change from 900 to 930 kc., and increase broadcasting time from daytime to unlimited hours.

KSLM, Salem, Ore., be authorized to transfer from 1370 to 1360 kc. and increase power from 100 to 500 watts.

WMFJ, Daytona Beach, Fla., be denied permission to switch from 1420 to 1240 kc. and increase power from 100 watts to 1 KW.

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FCC PREPARING DATA ON NEWSPAPER ROLE IN RADIO

Anticipating legislation proposing a curb or ban on newspaper operation of broadcasting stations, the Federal Communications Commission is gathering data for submission to Congress on the subject, it was disclosed this week.

Commissioner T.A.M. Craven told a House sub-committee that while the FCC is not in a position to make any recommendation at this time, that the subject is being studied. It will have a report later, however, he said.

The divorcing of newspapers and radio, already discussed in both Houses of Congress, is believed to have the approval of President Roosevelt.

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Television in Italy is only in the laboratory stage and is also under the exclusive control of the sole concessionaires. Two laboratories of the broadcasting service are working on television and are said to be experimenting on such sets with 30, 60, 90 and 180 lines of analysis; a project is awaiting approval of the Government for the installation of three television stations in Rome, Milan and Turin, which are to be connected by means of a coaxial cable (cavo collasiale).

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STATE RADIO COMMISSION URGED IN MASSACHUSETTS

A bill has been introduced in the Massachusetts Legislature to set up a three-member State Radio Commission which would be authorized to issue licenses, make rules and regulations for stations, and "to safeguard public morals by elininating obscene and defamatory utterances from radio speeches or statements."

All stations would be required to keep transcripts of every speech or statement uttered over their respective facilities on file for a year and open to public inspection. The author, Representative Phillip G. Bowker, however, insisted that the bill is not designed to infringe on the rights of free speech.

Editor & Publisher in an editorial on the proposal denounced the idea.

"We can't work up enthusiasm for the idea of State Radio Commissions, the first of which has been proposed in Massachusetts", the publishers' organ stated. "If the experience of State regulatory boards over banking, public utilities, and insurance are a guide to what can be expected, any public hopes of benefit from State radio regulation are likely to be disappointed. Political patronage and recurrent malfeasance scandals have been the outstanding products of most State efforts to regulate even definitely intrastate business.

"The Massachusetts bill specifically declares itself free of censorship of free speech inhibitions, and practically duplicates the Federal ban on indecent, profane, defamatory, or libelous utterance in broadcasting. It also would compel broadcasters to keep an accurate written or recorded transcript of every broadcast statement, the record to be available for public inspection for one year after its utterance.

"All of that can be adequately done under existing Federal laws. Interstate commerce considerations have not yet entered the broadcasting field and we can see no useful purpose in introducing them. If varying industrial and geographical conditions require exceptions to general rules, they can be accomplished by district organization under the FCC."

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FEW RADIO OFFICIALS CARRIED IN BIG SALARY LISTS

Only the names of a few of the outstanding figures in the radio industry were carried in the lists of the highest salaries of the Nation for 1936 as disclosed this week by the House Ways and Means Committee. The names of most radio artists were not carried as many were not paid salaries in the sense that the 1934 Revenue Act defines the term.

Among those listed were the following:

William S. Paley, President of the Columbia Broadcasting System, $236,924; Edward Klauber, Vice-President, $71,359.

Maj. Gen. James G. Harbord, Chairman of the Board, Radio Corporation of America, $54,000; David Sarnoff, President, $75,000.

Lenox R. Lohr, President of the National Broadcasting Company, $50,259.

A. J. McCosker, President of Bamberger Broadcasting Service, Inc. (WOR), $78,270.

James M. Skinner, President, Philadelphia Storage Battery Company, $79,000; Larry E. Grubb, President of Philco Radio & Television Corporation, $72,651; Sayre M. Ramsdell, Vice-President, $69,077.

Paul V. Galvin, President and Treasurer, Galvin Manufacturing Co., Evanston, Ill., (Motorola), $60,420.

Among the electric and communications companies were the names of:

Owen D. Young, Chairman of the Board, General Electric Company, and Gerard Swope, President, $146,500 each.

Sosthenes Behn, International Telephone & Telegraph Company, $66,479.

A. W. Robertson, Chairman of the Board, Westinghouse Electric & Manufacturing Company, $108,588; F. A. Merrick, President, $84,485; Arthur E. Mullen, Vice-President, $52,816.

The name of A. Atwater Kent, President of the Atwater Kent Co., formerly in the radio manufacturing business, was listed at $50,000.

The National Radio Institute of Washington, D. C., carried two officials, J E. Smith, President, at $36,000, and E. R. Haas, Secretary, at $30,000.

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SCOPE OF RADIO INDUSTRY OUTLINED BY FCC FOR CONGRESS

An estimate of the scope of the radio industry was prepared by the Federal Communications Commission and submitted to Congress during the recent House hearings on the Independent Offices Appropriations Bill. Presented by Commissioner T.A.M. Craven, the report outlined the industrial aspects of radio as follows:

"It is common knowledge that this industry occupies an important place in the national welfare of this Nation and affects the employment of hundreds of thousands of people and is estimated to involve an annual expenditure of over three-quarters of a billion dollars. The best estimate we can give as to the scope of the industry is as follows:

"1. An investment of 45,000,000 receivers purchased by the public at a conservatively estimated cost of approximately $30 per receiver, which amounts to an investment of $1,350,000,000. In 1936 it was estimated that the public purchased 8,000,000 receivers at an estimated cost of $440,000,000. (Radio Today, January 1937 issue.)

"2. There are 1,037 factories engaged in the manufacture of receivers, radio vacuum tubes, radio parts, transmitters, and sound equipment. (Radio Today, January 1937 issue.) The capital investment in these factories is not known, but obviously it runs into millions of dollars.

"3. There are more than 4,000 retailers who engage exclusively in the business of selling receivers to the public. This does not include thousands of other retail outlets which also handle radio receiving sets.

"4. It is common knowledge that talent, including comedians, actors, singers, composers, publishers of music, etc., number in the thousands. No estimate can be given of the monetary investment or other economic factors directly charged to broadcasting and involved in this grouping.

"5. There is a large investment in transcriptions and radio recordings, of which the Commission has no specific knowledge.

"6. There are thousands of service men with their offices and shops dependent upon broadcasting, and who engage in a business of several hundreds of thousands of dollars. In 1936, approximately $75,000,000 was estimated to have been spent on servicing radio sets. (Radio Today, January 1937 issue.)

"7. Both transmitting stations and most all radio receivers, particularly those in the cities, require power equipment. This involves the electrical manufacturing industry as well as the power industry. We have no figures to show the

exact amounts invested, but it is common knowledge that the amount is not small. In 1936, $150,000,000 was estimated to have been spent for electricity for receivers. (Radio Today, January 1937 issue).

"8. It is common knowledge that advertising agencies and the men usually employed by these agencies, engage in radio business to a large and profitable extent. We are unable to state specifically the total amount invested, though in 1935 advertising agencies handled $63,307,000 of the medium's total business.

"9. It is common knowledge that various organizations, both those having national scope as well as those having local scope, pay money for the benefits of broadcasting and secure returns therefrom in augmented sales of their merchandise. While the money expended by these organizations is large, no knowledge of the benefits received therefrom is known to us.

"10. There have been over 40 millions of dollars invested directly in broadcasting stations and several millions expended each year in the operation of these stations.

"11. $6,578,956 was expended by broadcasters in 1936 for telephone 'private line service' and for wires, which are especially adjusted technically for this service.

"The only elements of this vast industry which are directly regulated by the Federal Government are the communication companies and the broadcast transmitting stations. As is known, the facilities of the communication companies are hired by the broadcasters for interconnecting land wire between stations while the latter are the actual instrumentalities for radio transmission to the general public.

"In the earlier stages of development the stations were in general supported directly or indirectly through the sale of receivers. However, today, even though the investment in stations is a relatively small portion of the total investment in the industry, the radiotransmission system can be characterized as the keystone in a large arch. The failure of this keystone will result in destruction of the remainder of the structure. It is thus most essential that the Government regulatory body proceed with caution when considering matters of frequency allocation as well as other policies which have such a direct bearing on the continued successful operation of this very important industry.

"According to the Bureau of Census Report on Radio Broadcasting, published in October 1936, 561 stations and 8 national and regional networks had net billings for sale of time in 1935 (i.e. gross billings after deduction of time and other promotional discounts), amounting to $79,617,543, of which $27,216,035 accrued to the chain companies for sale of time, $26,327,032 to network and non-network stations for sale of time

to national and regional advertisers, and $26,074,476 to all stations for sale of time to local advertisers. For the sale of talent and other revenue the figure of the Bureau of Census Report shows that $2,983,245 accrued to the chain companies and $3,891,865 to stations. Of the grand total, $86,492,653 (time plus talent and other revenue), 92.1 percent was obtained by the sale of time and 7.9 percent for the sale of talent. Also, of the total, 62 percent was from national and regional advertisers and 30.1 percent was from local advertisers. Furthermore, of this total 34.9 percent was received by chain companies and 65.1 percent was received by stations.

"Of particular significance was that of the $56,293,373 revenue in 1935 accruing to stations, 46.8 percent was from national advertisers, 46.3 percent was from local advertisers, and 6.9 percent was from sale of talent and other revenue. It is estimated that the gross billings for each of the years 1936 and 1937 are in excess of $100,000,000."

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FCC SAYS FACSIMILE WILL BE AN A.M. SERVICE

The Federal Communications Commission visualizes facsimile broadcast as a service supplementing other media, competing more with the morning paper than with evening editions.

In its annual report to Congress, FCC comments:

"The most popular suggestion is that regular broadcast stations be used for facsimile service between midnight and 6 A.M. to supply the citizen with a complete record of the latest news for perusal during his breakfast."

Because facsimile can be transmitted within the narrow limits of theavailable low frequency bands, midnight to early morning use may be made of existing broadcast stations, it is pointed out.

"The latest news flashes, market reports, weather maps, etc., can be broadcast hundreds of miles and automatically recorded in the home ready for the rural observer or the residents of small communities", says the report.

But the innovation is not without its difficulties. The Commission states: "The principal questions are: What will be the public reaction, and will the cost of maintaining this new service be prohibitive?"

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TRADE NOTES

Announcement of eight interim models, all equipped with Stromberg-Carlson's New Electric Flash Tuning, has been made by Lee McCanne, Radio Sales Manager of the Stromberg-Carlson Telephone Manufacturing Co.

Included among these latest models is a horizontal table radio in a new Worthington design, three Labyrinth radios, two standard consoles, a decorator's half-round console, and a combination radio and automatic phonograph. Two of the new Labyrinth-type radios are in the decorators' group, taking the forms of a modern desk and a drop-door console.

A. E. Joscelyn will this week become Eastern Sales Manager of the Radio Sales Division of the Columbia Broadcasting System, Inc. He succeeded Arthur Hayes, who relinquished the post in order to devote his full time to the development of local business on Station WABC in New York. Mr. Joscelyn, who recently entered the Chicago office of Radio Sales, has had long experience in the advertising field, especially in radio and newspaper representation work.

The American Radio and Telegraphists' Association, according to the A.P., asked the Labor Relations Board Monday to order the Association of Western Union Employees to return $500,000 in dues the union said had been collected since the Wagner Act was passed. The union is Committee for Industrial Organization affiliate. The petition alleged the Western Union Association was an illegal "company union". The Board was asked to order its dissolution.

Beginning January 30th, Station WBRE, Wilkes Barre, Pa., becomes an NBC outlet available to advertisers using either the basic Red or basic Blue Networks. Station WBRE will bring the total number of NBC stations to 144. The new affiliate is owned by Louis G. Baltimore, and operates on 1310 kilocycles with 100 watts power. A power increase to 250 watts daytime is expected this Spring, and a new RCA transmitter will be installed. A new 180-foot vertical antenna already is in operation.

Effective January 15th, John Bates will resign from his post as Commercial Program Manager of Station WOR. He will be succeeded by Jerry Danzig, now of the Special Features Division of the Press Department. Mr. Bates will leave to establish a private agency devoted to production work.

Dr. Frank Baldwin Jewett of Brantwood, Short Hills, N.J., an expert in the field of telephone engineering, and radio, has been chosen to receive the Washington Award for 1938. L. S. Keith, Secretary of the Washington Award Commission, announced that the award given annually since 1919 to the engineer whose work has contributed most to human progress, would be presented in April or May. Dr. Jewett is President of the Bell Telephone Laboratories and Vice-President of the American Telephone and Telegraph Company. He is a past president of the American Institute of Electrical Engineers.

Vittorio Giannini, distinguished young American composer, and Robert A. Simon, author, critic and librettist, will collaborate on a radio opera commissioned by the Columbia Broadcasting System. Their work will be precisely 29 minutes and 30 seconds long in order to insure a practical production which can be given in a half-hour broadcast. The new radio opera will be performed at an evening concert broadcast some time during the coming Summer season.

The latest check on newspaper readership made by George Gallup, Director of the Institute of Public Opinion, Professor of Journalism at Columbia University, and Director of Research for Young & Rubicam, New York advertising agency, reveals that more people are interested in reading radio columns than they are in reading Hollywood gossip columns.

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INCREASE IN POWER FOR WGAR IS RECOMMENDED

An increase in power for Station WGAR, Cleveland, was recommended to the Federal Communications Commission this week by Examiner George Hill. The jump would be from 500 watts-1 KW to 1 KW-5KW on 1450 kc.

In recommending the increase, Examiner Hill called attention to the application of Station WJSV, which operates on the same frequency, for an increase in power to 50 KW, but he stated that with both stations using directional antennae, there would be no interference although they are separated only by 304 miles.

Examiner Tyler Berry filed a favorable report on the application of Station KVEC, San Luis Obispo, Calif., for authority to increase its operating time from daytime to unlimited, using 100 watts at night and 250 watts daytime.

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CBS FORMS ADULT EDUCATION BOARD

The Columbia Broadcasting System this week announced the formation of an Adult Education Board under whose guidance it will launch early this year a series of educational programs in evening hours definitely reserved for that purpose. The Board, headed by Dr. Lyman Bryson, and composed of educators and publicists representative of the nation as a whole, will meet in New York on January 17 and 18. It will first reach a practical decision as to the scope and purpose of adult education over the air best fitted to meet the needs of a democracy. The Board and Columbia's own staff will thereafter cooperate in production to the end that the first experimental year may be devoted to perfecting techniques designed to attract the largest possible audiences and to give them what they best can use.

Besides the Chairman, Lyman Bryson, who is Professor of Education at Teachers College, Columbia University, and also a member of the Executive Committee of the American Association for Adult Education, other members of the Board are:

Stringfellow Barr, President of St. John's College; William Benton, Vice-President, University of Chicago; Harry Woodburn Chase, Chancellor, New York University; Robert I. Gannon, President, Fordham University; Alvin S. Johnson, Director of the New School for Social Research; Henry R. Luce, President, Time, Inc.; Ruth Bryan Rohde, Former U. S. Minister to Denmark; Thomas V. Smith, Professor of Philosophy, University of Chicago; George Edgar Vincent, former President of the Rockefeller Foundation; William Allen White, Editor, Emporia Gazette; Ray Lyman Wilbur, President, Leland Stanford University, and Joseph H. Willits, Dean of the Wharton School of Finance, University of Pennsylvania.

In announcing the formation of the Board and its forthcoming meeting in New York, William S. Paley, President of CBS, said:

"Adult education has been one of the most vexed and controversial questions in radio. A great deal that has been constructive already has been done, and practically everyone recognizes that many programs already regularly on the air have great educational value. The time appears to have come, however, when broadcasting should come more definitely to grips with the whole problem. After long study and a good deal of experience, we at Columbia decided that a rightly constituted Board of men and women, competent to deal with the problem and willing to devote enough time to it to be effective, could be working with us help to a degree to take the whole subject out of the realm of discussion and into the field of practical achievement."

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RCA ASKS REHEARING IN LICENSE CASE

The Radio Corporation of America filed a petition in Chancery Court in Wilmington, Del., last week asking for a reopening and rehearing of litigation brought by the Philadelphia Storage Battery Co., parent organization of Philco Radio & Television Corp., against RCA whereby the Philadelphia concern sought to enjoin RCA from terminating a licensing agreement.

The petition asked Chancellor Josiah O. Wolcott to issue an order permitting RCA to present further argument and to take further testimony, to introduce a letter from PSB to RCA attached to an affidavit of Lewis MacConnach, to introduce in evidence certain patents under which the Philadelphia Storage Battery Co. has been licensed by RCA, to explain the principle of operation of inventions in patents and to compare claims of patents.

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MUTUAL DECEMBER BILLINGS SHOW 10% INCREASE

A 10.6 percent increase in time billings is reported for the Mutual Broadcasting System for the month of December, 1938, in comparison with the same month's figures in 1936. The total billings for December, 1937, were $214,039. For the same month in 1936 they were $193,496.

Total billings for the year 1937 were $1,862,820, a loss of 1.2 percent under 1936. Total billings for the year 1936 were $1,884,963.

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RATES FOR WWL RAISED WITH POWER BY CBS

A new schedule of rates for time on Station WWL, New Orleans, was announced this week subsequent to an authorization by the Federal Communications Commission to increase the station's power from 10,000 to 50,000 watts on 850 kc.

H. K. Boice, Vice-President in Charge of Sales of the Columbia Broadcasting System, said that present advertisers will continue to pay the rates of their contracts but in renewals the new rates will prevail.

The hourly rate ranges from $250 to $375, the quarter hour from $100 to $150, and the half-hour from $150 to $225.

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No. 1092

CALIFORNIA LEADS IN ALLOCATION OF RADIO STATIONS

California had the greatest number of broadcasting stations of any State in the United States at the close of the last fiscal year, according to a report made by the Federal Communications Commission to Congress this week. The number was fifty-three.

New York came second with 49, while Texas was third with 47. Next in line was Pennsylvania with 37. Illinois had 31.

Of California's 53 stations, 37 are unlimited as to time, nine operate daytime only, while seven either are limited or share time with other stations. Only twenty-two of New York's stations are unlimited, while 20 share their frequencies with other stations.

In the distribution of clear channels, New York and Illinois are tied with six each, while California has only four and Texas three. Five of New York's clear channels are unlimited, and one is shared, while Illinois' are split 3-3 as to unlimited and shared.

As for regional channels, California again takes the lead with 33. The only other State approaching this figure is New York with 27.

No one State has a corner on the local channels, but Texas leads with 30. California has 16; Illinois 15; New York 16; Pennsylvania 19, and Michigan 14.

Another table prepared by the FCC for Congress showed that the majority of American cities are in the primary service areas of one or more broadcasting stations.

Of the 982 cities in the United States with populations above 10,000, the FCC said that 368 have broadcasting stations. Five more exist in United States possessions.

Of the 700 stations licensed at the end of the last fiscal year, 89 were in towns of less than 10,000 population, while 138 were in cities of between 10,000 and 24,999 inhabitants.

The table showing the distribution of stations according to size of cities follows:

Size of Town	Number of Cities	Cities With Stations	Number of Stations	Percent of Stations
Under 10,000	15,616	87	89	12.7
10,000-25,000	606	136	138	19.7
25,000-50,000	185	81	90	12.9
50,000-100,000	98	67	85	12.2
100,000-200,000	52	48	94	13.4
200,000-300,000	16	16	49	7.0
300,000-400,000	7	7	30	4.3
400,000-500,000	5	5	19	2.7
500,000 and over	13	13	106	15.1

(Table includes three cities in Alaska, two in Hawaii, and three in Puerto Rico.)

The disclosure that the FCC had quietly driven off the air 357 unlicensed radio stations during the past fiscal year was also contained in its report to Congress. Also, it investigated 3,796 complaints of interference with reception.

"During the fiscal year reports were received of the operation of 477 unlicensed radio stations", the report said. "The action taken by the Commission resulted in the discontinued operation of 357 stations, leaving 120 stations under investigation at the close of the fiscal year.

"During the fiscal year 3,796 complaints of interference with radio reception were received by the Commission. In addition, 430 cases were carried over from the previous fiscal year. As a result of investigations, remedial action was taken in 3,995 cases. The remaining 231 cases were under investigation at the close of the fiscal year."

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PARLEY OF PRESS ASSOCIATIONS CALLED BY FCC

The Federal Communications Commission has invited press associations together with other interested parties to attend an informal conference called for 10 A.M., January 27th, in the offices of the Commission. This conference is for the purpose of discussing the rules and regulations which may be necessary to provide for the occupancy of frequencies above 30,000 kilocycles recently allocated to mobile press stations. These rules are necessary since the type of service contemplated by Order No. 19 has not heretofore been recognized and it is the desire of the Commission that any rules adopted should provide for the masimum usefulness of these frequencies.

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U. S. RADIOS IN PRINCIPAL MARKETS ABROAD

American-made radio trade names are numerous in foreign markets, according to results of a Federal inquiry abroad.

At the request of the Radio Manufacturers' Association, a survey of trade names and brands of radio sets appearing on foreign markets has been made by the Electrical Division of the U. S Bureau of Foreign and Domestic Commerce. The survey covered capitals of twenty-eight countries where the Federal Bureau has offices and a total of 103 American names were found in the foreign markets as compared with fifty-two trade names or brands from sources other than U. S. and their own domestic manufacture. Many European manufacturers employ a separate trade name for each model in their lines. Other summarized results of the Government survey were as follows:

"The largest number of names is reported from Belgium, where 159 domestic makes are listed, imported sets number 26, of which 16 are American. The United Kingdom has 84 domestic names listed, and 29 American sets are reported to be on sale. Information as to imported sets other than American is as yet incomplete. Brazil, reporting 62 American makes, leads in this respect, with 6 other imported and 9 domestic. Argentina shows 48 American, 4 others imported, and 25 domestic.

"The Dutch 'Philips' and German 'Telefunken', from among the foreign makes were reported from the greatest number of markets. Much of the trade in these two makes is actually produced in several branch factories in as many countries. British GEC and Marconi, Austrian Horniphone, and German Korting, Nora, Mende and Blaupunkt (sometimes sold under the name 'Blue Spot') also have wide distribution.

"Although this survey was made primarily to obtain information regarding possible infringement of American trade names by foreign companies, only one case was reported where such infringement was evident. This case is being appropriately investigated."

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POWER OF DON LEE TELEVISION STATION IS INCREASED

The transmitting power of the Don Lee television station in Los Angeles, W6XAU, will be increased from 150 watts to 1 KW as a result of authority granted this week by the Federal Communications Commission.

Station W6XAU has been one of the pioneer experimenters in the television field during the last several years.

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FCC SETS WIRE, RADIO RATE PROBE; CRAVEN DISSENTS

Over the objection of Commissioner T.A.M. Craven, the Federal Communications Commission this week scheduled a rate hearing in conformance with a request of the major telegraph, radio and cable companies. The hearing will begin at 10 A.M., February 14th.

Commissioner Craven, in a dissenting opinion, stated that two inquiries should be conducted by the FCC, one limited to the rate problem and a second "monopoly" investigation with the purpose of determining a "modern national communication policy for the nation".

The Commission action was taken upon a petition asking for a 15 percent rate rise, filed recently by the Postal Telegraph-Cable Co., Mackay Radio & Telegraph Co., the Western Union Telegraph Co., and R.C.A. Communications, Inc.

In ordering the inquiry, the FCC stated that it would be expanded to include evidence or testimony that may have a bearing on the case.

Commissioner Craven in his dissenting opinion said:

"In my opinion, the order designating the foregoing petitions for investigation and hearing permits an expansion of inquiry to include undefinable matters not clearly specified. I recognize, however, the need for a hearing on limited issues because the petitions appear to make out a prima facie showing sufficient to warrant an investigation and hearing limited to the issues therein presented. They recite that the situation of the carriers is highly critical and unless properly met by an increase in their revenues, their ability to function will be seriously impaired. It would, therefore, seem that a long drawn out rate case would not meet the situation presented, but that an early hearing limited to the financial issues alone would produce accurate facts upon which to reach a decision, and if the Commission finds it proper, to grant temporary relief.

"It is possible that a rate increase may only be a palliative and that it is necessary to probe more deeply into the matter in order to arrive at a more permanent solution of the problems confronting the carriers. However, such an investigation would be long drawn out and it is entirely possible that if the carriers are now confronted with an emergency financial situation the delay involved in such an extensive investigation would be perilous.

"I respectfully submit that it is necessary for the Commission to conduct a thorough investigation of the entire communication structure of the United States for the purpose of assisting in the determination of a modern national communication policy for the nation. It is specifically necessary for the

Commission to study related competitive and economic factors which, at present, seem to indicate a trend toward a monopoly of communications rather than the competition contemplated by the Communications Act of 1934.

"This investigation and study would involve a consideration of many more phases of communications than an increase of telegraph rates and would include many more interested parties than would be affected legally in the determination of a rate increase in the domestic telegraph field.

"Hence, it appears to be in the broad interest of the public to limit the issues in the hearing on the petitions to the questions raised directly in the petitions and to formulate forthwith a preparation for a comprehensive and basic investigation of the major and more fundamental problems involved in the existing communication structure of the country."

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THREE NEW STATIONS RECOMMENDED BY EXAMINERS

Construction permits for three new broadcasting stations were recommended in reports of Examiners to the Federal Communications Commission this week.

The applicants and facilities are:

Harwell V. Shepard, Denton, Tex., 1420 kc., 100 watts power, daytime.

Gila Broadcasting Co., Safford, Ariz., 1420 kc., 100-250 watts, unlimited hours.

Sims Broadcasting Co., Globe, Ariz., 1210 kc., 100-250 watts power, unlimited time.

Unfavorable reports were filed on the applications of William C. Smith, of Bogalusa, La., and the Curtis Radiocasting Corp., Evansville, Ind., for a station to be located at Richmond, Ind.

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A sample of what State Police radio can do is told in the report of the Illinois Director of Public Works, F. Lynden Smith, who said that the State Police radio network has returned 1,058 stolen automobiles in the first 17 months of operation. The automobiles recovered were valued at $432,200.

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RMA CONDUCTS DRIVE AGAINST EXCISE TAXES

A vigorous campaign for repeal or a substantial reduction of the Federal excise tax of 5 percent on radios and phonographs has been started by the Radio Manufacturers' Association, Bond Geddes, Executive Vice-President, stated this week.

The Treasury Department and a tax sub-committee of the House Ways and Means Committee, recommended repeal of a few outright "luxury" taxes, including sporting goods, furs, cameras, phonograph records, and chewing gum, but did not include radio. The RMA protested to the Treasury Department and the House sub-committee, of which Representative Fred Vinson, of Kentucky, is Chairman in charge of the new tax bill, and asked for repeal or material reduction of the tax on radio, because of its wide public service and use, and on the ground that it is not a luxury but a public convenience and necessity. Support for the RMA plea came from several Congressmen.

That at least "the poor man's" radio should be given tax exemption has been emphasized in the early and informal discussions in Washington. A tentative proposal was made for tax exemption of radio sets sold for less than $50, coving the low and medium price range of the ordinary and general purchaser. Certain results would be reduction of prices to millions of radio purchasers, together with increased sales and increased employment in the radio industry.

Chairman A. H Gardner of the RMA Legislative Committee and industry leaders have acted promptly in the tax matter, and the entire industry and trade are being asked to assist in proper representations to the House Ways and Means Committee and also later to the Senate Finance Committee.

The House Ways and Means Committee will hear the RMA representatives on the radio tax next Thursday, January 20th.

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RADIO PROGRAMS SHOULD BE IMPROVED, SAYS CRAVEN

While suggesting that a Congressional investigation of radio and the Federal Communications Commission should be delayed, Commissioner T.A.M. Craven believes that the Commission should have more authority to control programs and that the programs should be improved.

Testifying before the House sub-committee on Appropriations, Commissioner Craven said:

"Personally, I believe there is a great necessity for improving programs in the United States. I think the Commission should do something; I think they already have started on a program of doing something. But there may be some necessity of modifying your law at the present time, particularly with reference to the punishment that we can give a station for violation of the regulations with reference to programs. We have not got all the powers that may be necessary to deal with the situation."

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KELLER RESIGNS AS BROWN'S SECRETARY

Resignation of Joseph E. Keller, who has been secretary to Commissioner Thad H. Brown of the Federal Communications Commission since August 1, 1934, was announced yesterday (Thursday) by Commissioner Brown, effective January 24th. Mr. Keller is resigning to enter the private practice of law with the firm of Dow and Lohnes in Washington, D C.

Subsequently Commissioner Brown announced the appointment of Franklin Cary Salsbury, of Cleveland, as his secretary. Mr. Salsbury was born in Cleveland on September 29, 1910, and is the son of Mr. and Mrs. Elwood Salsbury, 12509 Cedar Road, Cleveland, Ohio. He attended Hotchkiss School, Lakeville, Conn., and was graduated from Yale University in 1932. He specialized in the study of languages at Yale.

Mr. Keller was graduated from the University of Dayton in 1928 and was awarded his LL.B. degree from the same university. He completed graduate work in law at Georgetown University and received his Doctor of Jurisprudence degree there in June,1935.

He is a member of the bars of the State of Ohio, the Federal District Court for the Southern District of Ohio, western division, and the Supreme Court of the United States. Mr. Keller was formerly a member of the faculty of the law school at the University of Dayton and he is now conducting graduate courses in Radio Law and Air Law at Southeastern University. He is the author of several articles on communication law.

Mr. Keller's duties with the firm of Dow and Horace L. Lohnes, (Munsey Building, Washington, D C.) will include legal services with the National Petroleum Association and the American Petroleum Institute.

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RADIO SALES IN 1937 NUMBERED 7,700,000

The total number of radio sets sold in 1937 amounted to 7,700,000 with a retail value of $450,000,000, O. H Caldwell, former Federal Radio Commissioner and now editor of Radio Today, will say in the forthcoming issue.

The number of sets fell a little short of the more than 8,000,000 sold in 1936, it appears, but the retail value was slightly higher due to the higher prices.

Mr. Caldwell estimated that there are now 36,800,000 radio sets in use over the United States as compared with 33,000,000 in 1936. Auto radio sets sold last year totalled 1,800,000 with a retail value of $90,000,000.

The table showing a break-down of the radio trade business for the past year follows:

	Number	Retail Value
Total radio sets sold during 1937	7,700,000	$450,000,000
Radio Sets exported	680,000	----------
Automobile radios	1,800,000	90,000,000
Home radios sold in U.S.	5,220,000	304,000,000
Consoles	2,100,000	167,000,000
Table models	3,000,000	120,000,000
Combinations	60,000	11,000,000
Home sets sold as replacements	2,920,000	170,000,000
Home sets sold to homes previously without radios	1,300,000	75,000,000
Home radios sold as extra sets	1,000,000	58,000,000
Battery sets	900,000	45,000,000
Tube replacements	40,000,000	40,000,000
Tubes, initial equipment	51,000,000	51,000,000
Total tubes sold 1937 including exports	101,000,000	101,000,000

The steady increase in radio set ownership is shown in the following table on radio sets in use since 1929:

Homes with radios, extra sets, auto radios

1929	10,000,000	1933	22,000,000
1930	13,000,000	1934	25,000,000
1931	15,000,000	1935	28,000,000
1932	18,000,000	1936	33,000,000
	1937	36,800,000	

Under the heading of the "Roll Call of the Radio Industry", as of January 1, 1938, Mr. Caldwell listed the following:

Manufacturers of radio receivers	140
Manufacturers of radio tubes	14
Manufacturers of radio parts	625
Manufacturers of test equipment	60
Manufacturers of broadcast and amateur equipment	110
Manufacturers of sound equipment	115
Radio set and parts distributors	2,088
Manufacturers' agents	245
Retail outlets selling radios	61,000
Dealers doing 85% of radio business	16,000
Servicemen, including dealers' servicemen	40,000
Radio amateurs and experimenters	81,000
Broadcasting stations, Jan. 1, 1938	701

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EDUCATION GROUP ANNOUNCES PROGRAM FOR NEW YEAR

The National Committee on Education by Radio this week in its January bulletin announced its program for 1938 as follows:

(1) To continue promotion of the Committee's plan for an American Public Broadcasting Service.

(2) To continue publishing the bulletin, Education by Radio, as a means of appraisal and interpretation of the developments in radio that affect the interests of educational broadcasting.

(3) To continue the stimulation of more intensive training in educational broadcast production and in the uses of radio in schools and colleges.

(4) To make both educators and the public increasingly conscious of radio as an educational and cultural agency.

(5) To maintain the informed and vigorous support of the Committee's policies and program on the part of its constituent member organizations.

(6) To supply information to the Federal Government upon the request of either Congressional committees or the Federal Communications Commission.

A request has been made to the Payne Fund for a grant with which to carry out this program, the announcement stated.

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TRADE NOTES

President Leslie F. Muter, of the Radio Manufacturers' Association, has called a meeting of the Association's Board of Directors on Thursday, January 27th, at the Roosevelt Hotel, in New York City. Many important industry and trade matters are scheduled for discussion and action, including the present inventory and merchandising situation and also procedure before Congress in the RMA effort to secure repeal or substantial reduction of the 5 percent radio excise tax.

Presaging national standardization and further development of sound effects equipment, the National Broadcasting Company has created a Sound Effects Development and Maintenance Division. N. Ray Kelly, former head of the NBC New York Sound Division, has been appointed to act as Manager of the new Department, which will serve all NBC managed and operated stations.

Increase in power for Station WSAY, Rochester, N. Y., from 100 watts to 250 watts daytime, 100 watts at night, was recommended this week by Chief Examiner Davis G. Arnold, in a report to the Federal Communications Commission. Station WSAY operates now on 1210 kc., daytime only.

Continued increase of exports in American radio was recorded in the November 1937 report of the U. S Bureau of Foreign and Domestic Commerce. The November exports totaled $2,696,018, a substantial increase over the November 1936 exports of $2,587,819. The total American radio exports for the eleven months of 1937 ending in November were past $29,000,000, and also the total radio exports for the entire year of 1936.

Federal officials are investigating an advertisement which referred to President Roosevelt in profane terms The attack appeared in "QST", official organ of the American Radio Relay League, Inc., and the International Amateur Radio Union. In minute type at the top of the advertisement, sketched to depict the heading of a newspaper, the President was referred to as "the _____ _____ President of these United States of America."

Federal officials absolved the publishers of intentional guilt. So minute was the type that magnifying glasses were necessary to read the words, investigators said.

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NBC SEES NEW RECORD IN JANUARY BUSINESS

Network business for the National Broadcasting Company is expected to set an all-time record for the month of January, and perhaps for any month in broadcasting history, with seventeen advertisers starting nineteen new shows over NBC networks during the period January 1-January 31st. New network programs starting in January a year ago totalled only six, making this year's new business figure 200 percent larger.

A variety of industries is represented by the sponsors of these new programs - steel, glass manufacturing, tobacco, food, toilet supplies, and housekeeping supplies.

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THREE STATIONS ADDED TO CBS NET

The Columbia Broadcasting System this week announced the addition of three radio stations - KARM, Fresno, Calif.; KROY, Sacramento, Calif.; and WBRK, Pittsfield, Mass.

KARM and KROY, situated in the rich Central Valley Region of California, join the network on January 15th as members of the Pacific Coast Group.

Station KARM - serving 32,000 radio families in the Fresno trading area - delivers intensive local coverage of the wealthiest per capita retail market in America.

Station KROY, Sacramento, also serves an exceptional market with intensive local coverage. Capital city of California, Sacramento has become the nation's leader in retail sales for cities of its population class. In the city, and in the area immediately around it, there are over 33,400 radio families.

Station WBRK Pittsfield, joins the CBS on or about February 1st, as a member of the Basic Supplementary Group and the Columbia-New England Network. The station operates on 250 watts daytime and 100 watts nighttime power. A conservative estimate of the primary listening area for WBRK includes a population of 125,000 and 98,280 radio listeners. The area is high above the U. S. average in retail sales and buying power.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1093

January 18, 1938

MAE WEST SKIT BRINGS CENSORSHIP DEMAND; NBC REBUKE

Members of Congress late last week demanded on the House floor that the Federal Communications Commission invoke the "obscene" phrase clause of the Communications Act to censor radio programs while Chairman Frank R. McNinch was administering a rebuke to the National Broadcasting Company and affiliated stations that carried the Mae West skit.

Taking up the cudgel of his late brother, Representative Lawrence J. Connery (D.), of Massachusetts, renewed his demand for a Congressional inquiry of radio and the FCC but meanwhile suggested that the Commission "clean up the air", even to going outside the United States to reach the Mexican border stations by treaty.

While Representative Connery was criticizing the FCC for tardiness in acting on the Mae West broadcast, Chairman McNinch was holding a press conference and making public a rebuke administered to NBC for permitting the Mae West broadcast to be carried over its network.

Chairman McNinch said the complaints will be held against the 59 NBC-Red network stations when their licenses come up for renewal. Observers, however, were inclined to believe this threat will not endanger the existence of any of the stations involved. Chairman McNinch admitted that unless further complaints are made against the stations no further action will be taken by the FCC.

The FCC Chairman disclosed that the Commission plans to set up "standards of programs" for the benefit of broadcasting stations, but he stated that he did not advocate any law which would give the Commission power to censor programs.

Commissioner McNinch indicated he would have more to say about radio programs in an address he is to make at the National Association of Broadcasters' Convention in Washington February 14-16.

During Representative Connery's address in the House, Representative O'Malley (D.), of Wisconsin, suggested that the radio industry set up a Board, as in the motion picture industry, "to look over the material which goes on the air before it is broadcast."

Representative O'Malley expressed the opinion that "the majority of the people in the radio industry and the

advertisers are clean and decent-minded and that they themselves, as was the case in the motion-picture industry, would be best fitted to clean out the dirty-minded people in the business."

The Mexican border stations, operated by Americans, were brought into the discussion by Representative Patrick (D.) of Alabama.

"Is it the purpose of the gentlemen in cleaning house in this respect to cover treaty relations with neighboring countries so that we can have the matter cleared up?" he asked Representative Connery.

"For example, a doctor from Kansas or some other State may cross the line into Mexico."

The North American Treaty which was drawn up at the Inter-American Radio Conference at Havana provides for the elimination of the Mexican border stations by means of a reallocation of Mexico's facilities.

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HIGHLIGHTS OF FCC REBUKE TO NBC AND LOHR'S REPLY

Following are the most significant excerpts from the letter of Chairman Frank R. McNinch of the Federal Communications Commission, to Lenox R. Lohr, President of the National Broadcasting Company, with respect to the Mae West broadcast over the Chase and Sanborn Hour, together with a part of Major Lohr's reply:

"The Commission has carefully considered the transcript of the 'Adam and Eve' feature by Don Ameche and Mae West and the dialogue between Mae West and Charlie McCarthy, sponsored by Chase and Sanborn and broadcast by the National Broadcasting Company over twelve stations on Sunday night, December 12. It is our considered opinion that both of these features were far below even the minimum standards which should control in the selection and production of broadcast programs.

"We commend your company for having apologized over the radio and through the press for these features and again in your letter to the Commission. We are unable, however, to accept the view expressed in your letter that the broadcasting of these features was only 'a human error in judgment.' The care with which the public has a right to expect, and which is, we understand, the practice, in the writing and editing of the manuscripts and in the rehearsing of such features would seem to exclude the elements of accident and surprise.

"The admittedly objectionable character of these features is, in our opinion, attributable to the lack of a

proper conception of the high standards required for a broadcast program intended for reception in the homes, schools, automobiles, religious, social and economic institutions, as well as clubs, hotels, trains and other places, reaching in the aggregate a much larger number of people daily than any other means of communication and carrying its message to men, women and children of all ages. A clear recognition of the social, civic and moral responsibility for the effect upon listeners of all classes and ages requires such a high standard for programs as would insure against features that are suggestive, vulgar, immoral or of such other character as may be offensive to the great mass of right-thinking, clean-minded American citizens.

"While the right to reap a reward or profit in the proper use of the license granted by the Government is clearly recognized, this right and all other considerations are entirely subordinate to the interest of the listening public; and, if the present system of licensing private agencies to broadcast is to ultimately win the favor and approval of the American public, this favor will be won chiefly through the excellence of the programs broadcast and their freedom from commercialization at the expense of propriety and quality.

"In our present system and the statute under which the Federal Communications Commission functions, the Commission has no power of censorship but this power and responsibility rests squarely and unavoidably upon the licensee. The right to continue operation under a license can be justified only so long as public convenience and necessity are served through programs broadcast to the listeners. Licenses are granted without any compensation by the licensee to the Government and solely for the purpose of serving the public interest and, hence, the broadcaster must accept, along with the privilege granted, a definite inescapable and high public trust in the use of the facilities licensed.

"It is believed that a true conception of this public trust would lift the general standards of programs to a higher level and would condemn as unworthy not only the features herein specifically referred to but other material which has been broadcast."

Mr. Lohr in a statement said that NBC's record of public service for more than a decade, showed clearly that the policies it has pursued "are fully in accord" with the principles laid down by the Commission. In order that the record of the correspondence between the Commission and the company might be complete, he made public the text of his letter to the Commission relative to the "Adam and Eve" broadcast.

The letter, addressed to Chairman McNinch on December 22nd was as follows:

"In response to your letter of December 18th, I submit herewith the material you requested in relation to the broadcast over our network Sunday night, December 12th.

"The public record of the maintenance of high standards and criteria of good taste by the National Broadcasting Company over the past eleven years and the whole-hearted cooperation of our company, both with the spirit and with the letter of the Communications Act, speak for themselves. In this period nearly one-half million (500,000) separate and distinct programs have been broadcast over our networks. Frequently, as many as one hundred and fifty different programs are broadcast over our networks in a single day. The standards by which these programs have been selected have made them welcome at the American fireside.

"In this instance, a human error in judgment was made and represents an exception which we promptly and publicly acknowledged. Neither the American public, nor the Commission, we believe, will wish to judge the question of good taste by a single exception to the high standards we have maintained and which, we assure you, we shall continue to maintain."

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EVENING STAR CONTRACTS TO BUY WMAL

The Washington Evening Star, one of the country's leading newspapers, has entered into a contract to purchase the stock of Station WMAL, Washington, it was learned this week. The contract is subject to approval by the Federal Communications Commission. Should the deal go through, WMAL will remain under lease to the National Broadcasting Company until February 1, 1941. The station is now owned by the heirs of M. A. Leese, former Washington optician.

All of Washington's newspapers have been trying unsuccessfully from time to time to obtain radio outlets in the National Capital, and they now have applications pending before the FCC. Hearst Radio, Inc., tried to force WMAL's owners to sell its facilities to it some months ago, when Hearst controlled the Herald and Times, now under lease to Mrs. Eleanor Patterson.

It is understood that when Mr. Leese died he stipulated in his will that if and when the station should be sold the Evening Star be given the first refusal because of its frequent use of the station. The purchase price of the stock has not been disclosed.

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"WHAT IS IT?"

An announcement last Sunday night in the Zenith Radio Corporation broadcast that next Sunday night Zenith would make one of the most sensational announcements ever made over the radio, has caused considerable speculation. It was said the announcement would have to do with a new device which Zenith is to manufacture which utilizes radio but is not for entertainment purposes. The device, it was further said, had been secretly perfected behind guarded and locked doors in the Zenith laboratories in Chicago.

The secret has been so closely guarded that even Zenith distributors and dealers will get their first knowledge of exactly what it is in the Zenith broadcast over Columbia at 10 o'clock (EST) next Sunday night immediately following the Ford Hour.

One man in the industry who claims to know what the new device is, said:

"I believe this device, which as far as I know is entirely novel, will sweep the country. Whether Zenith will have the exclusive right to manufacture it, or whether others can also manufacture it, I do not know.

"In any case, it seems to me that Commander McDonald is far ahead of the procession as he has been in other innovations. I shall be very much surprised if this does not prove to be the biggest thing he has ever done."

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RADIO CELEBS JOIN ALFALFA JESTERS

Maj. Gen. James G. Harbord, Chairman of the Board of the Radio Corporation of America, Federal Communications Commissioners Craven, Case, Sykes, and Thomas P. Littlepage, radio counselor and past Alfalfa President, joined the famous Alfalfa Club in its annual dinner in Washington last Saturday night. Gene Buck, President of the American Society of Composers, as usual, was in charge of the entertainment.

Others present from the radio industry were Col. Manton Davis of the Radio Corporation of America; Harry C. Butcher, Vice-President, Columbia Broadcasting System, Washington; John W. Guider, radio counselor, John M. and Thomas P. Littlepage, Jr., radio counselors; Kurt Sell, German Broadcasting Company; Donald Flamm, President, Knickerbocker Broadcasting Company (WMCA); Frank C. Page, Vice-President, I. T & T , and Frank W. Wozencraft, Radio Corporation of America.

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LOCAL MONOPOLY OF RADIO HIT IN WSMB DENIAL

Chairman Frank R. McNinch late last week announced a new policy of the Federal Communications Commission with respect to local ownership of radio stations in disclosing that the Commission had rejected the application of Station WSMB, of New Orleans, for authority to construct a second broadcasting outlet.

Chairman McNinch stated that the policy of the FCC would be against authorizing more than one station to a licensee in a community unless "it is clearly shown" that the grant would be in the public interest.

There is no immediate prospect of a review of allocations, however, to ferret out licensees which control more than one station in a community, Chairman McNinch said.

He likewise admitted the possibility, at a press conference, that a newspaper might own two stations if there were no other worthy applicant for the facilities and the area needed a second outlet.

"The available frequencies in the broadcast band are limited", the FCC report stated, "and the Commission is loathe to grant facilities for an additional broadcast station to one who already holds a license for a station in the same community unless it is clearly shown that the public convenience, interest, or necessity would be served thereby. Other things being equal, it would appear that if there were a need for an additional local broadcast station in a community and if there were a frequency available for this service, the facilities should be granted to someone who does not already hold a broadcast license for an unlimited time station in that community."

The decision, Mr McNinch asserted, "looks in the direction of fostering wholesome local competition " He added, however, that second stations conceivably could be granted where a need is shown beyond doubt, and where no other qualified applicant appears, but that there would be an "additional burden" upon the existing licensee seeking the second station in the same community.

The action, he added, can be regarded as a step in the direction of development of policy against establishment of monopolies in radio in particular communities, through avoidance of a concentration of licenses in the same hands.

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S.W. PROPAGANDA NOT FOR AMERICANS, SAYS G.E. OFFICIAL

Discounting short-wave propaganda as un-American and a business which this country should keep out of, Boyd W. Bullock, Assistant Manager of Broadcasting, General Electric Company, speaking from Schenectady, addressing listeners in the four quarters of the globe, over short-wave stations W2XAD and W2XAF, told of some of the difficulties of selecting radio programs for everybody in the world.

"American short-wave programs have as their primary purpose the building of good will between the United States and other countries", Mr Bullock declared "Short-wave programs in this country are void of propaganda, as Americans are not attempting to make over the citizens of other countries. All we wish to do is to have peoples of other countries know us as we are. We think that if they know us, they will like us. The average American is honest, hard-working, and relatively plain-minded. He couldn't be a successful propagandist if he tried. Effective propaganda from a real democracy is as impossible as it is undesirable.

"Even though we have been working to develop short-wave programs for many years, the subject still offers many difficult problems. Most of these problems are gradually being worked out. Our listeners tell us that the quality of the programs has constantly improved. We shall continue to seek, with your cooperation, the programs which appeal to you. We hope to broadcast more and more programs in the languages of the countries to which the programs are directed and at the same time, we shall continue to further develop the technical aspects of short-wave broadcasting.

"We shall also continue to give you only programs which give a true picture of us Americans. Our hope is that you bear with us in our short-comings and that you will continue to give us your helpful comments so that during 1938 and the years to follow we may be able to give you even better service in the future than we have in the past.

Mr Boyd reported progress on the building of the powerful new General Electric short-wave station now being built near San Francisco.

"Late this year we shall have our Pacific Coast station in operation, and from midnight until six o'clock in the morning, Pacific Coast time, we shall broadcast to the Orient", the General Electric official said. "These programs, many of which will be announced in Japanese and Chinese, we hope will be interesting not only to the people in the countries for which they are primarily intended, but will include many features that will be interesting in DX'ers in many parts of the world."

Mr. Boyd said it is difficult enough to produce a program that will be pleasing to any one group of people, say those in one schoolroom or in any one audience that might gather because they are interested in one particular subject.

"Of course, in these cases, everyone in the room would understand and speak one language and, by and large, would be living about the same kind of life, in the same city and in the same country", the speaker continued. "If the program were liked by a large majority of people in either of these two rooms you would say that the program was a success, but even then there would be some who would like it much less than others, and some who would probably dislike it.

"Contrast this with attempting to devise programs for peoples in several different countries whose environment and points of view are widely different and whose customs as well as the languages which they speak are different from each other. Some might say that the solution is simple - that music is an international language. On the other hand, what kind of music is international - symphonic, grand opera, folksongs, jazz or dance music? The answer I believe is obvious - that there is no one type of music that everyone, every place wants to hear - at least wants to hear all of the time Someone else says the radio should educate people, and the natural question then is "What is education?" Education to some who do not have the information, of course, would be boring to others who do. Another question is that programs should be cultural. What that means to one who actually tries to devise a program is almost anyone's guess.

"And those are just some of the problems confronting the short-wave broadcaster. What is the solution? Since there is no one type of program that meets all the requirements, the solution, we think, is a variety of programs planned for and directed to specific countries at times when they can be best received and enjoyed."

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WMCA TO CONDUCT SURVEY OF JUVENILE TASTE

To determine a standard for juvenile radio programs, Stations WMCA, New York, in cooperation with the Child Guidance Clinic of the Heckscher Foundation and other public as well as private educational institutions, will distribute a questionnaire to more than 10,000 grade-school children, according to an announcement by Donald Flamm, president of the station. Jacob S. List, Director of the Child Guidance Clinic, will direct the inquiry. Included in the survey will be a rating of radio programs by the children, who will be asked to list their preferences in radio fare in several categories.

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"Of course, in those days, everyone in the room would understand and agree one hundred and, by and large, would be living what the vast bulk of life, in the main city and in the main country". the operator continued. "If the programs were filled by a large majority of people in either of these two rooms you would say that the program was a success, but even then there would be some who would like it much less than others, and some who would probably dislike it.

"Contrast this with attempting to devise programs for people in several different countries where environment and points of view are widely different and where nobody can tell as the languages which they speak are different from each other. Some might say that solution is simple - that would be an international one. On the other hand, what kind of music is international - symphonic, grand opera, folksong, jazz or dance music? The answer I believe is obvious - that there is no one type of music that everyone, every place could be happy at Jacky Jones to hear all of the time. Suppose that you could choose people, and the natural question then is "Why i da evaluation?" Education to some who do not have the faintest idea, of course, would be boring to others so. Another question is that programs should be optional. What about those to one who actually tries to devise a program is all it appears easy.

"And those are just some of the problems concerning the multi-area broadcaster. What is the solution? Well, it is very difficult to specific countries at times when they are the best received.

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NETS ADD 1,000 MUSICIANS AS CONTRACTS TAKE EFFECT

Broadcasting stations affiliated with NBC, CBS, and the Mutual network have contracted with local musicians' unions for the employment of more than 1,000 additional musicians and for a $2,000,000 increase in the yearly musical wage budget, it was disclosed this week as contracts became effective all over the country.

Joseph N. Weber, President of the American Federation of Musicians, made the announcement in New York as key stations in the city signed two-year contracts covering the musical staffs.

About 90 per cent of the 273 independent stations in the three networks have entered into similar contracts with the A. F. of L. union and the others are expected to follow within a few weeks, according to Emile J. Gough, formerly vice-president of Hearst Radio, Inc., and a member of the national negotiating committee of the Independent Radio Networks Affiliates.

Negotiations began last August, when the union threatened a national strike if employment of musicians on radio programs was not spread more widely. Under the quota plan worked out with the representatives of the independents and key stations, Mr Webb said, 100 stations which have had no musical staffs will provide jobs for musicians. In no case will the outlay for musicians' wages be reduced, he added.

Mr Gough and Samuel R Rosenbaum, president of the WFIL Broadcasting Company of Philadelphia, who carried on the negotiations for the independents, notified the member stations that Monday had been set by the union as the deadline for final acceptance of the national plan of settlement, but that "a short period of grace" had been arranged to permit the stations still outside the contract field to sign agreements with locals of the American Federation of Musicians.

All contracts signed within this period must be made retroactive to Jan. 17.

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The would-be radio broadcaster can now learn various phases of his trade in 266 colleges of the United States and Canada, according to a recent survey made by Professor Waldo Abbot of the University of Michigan. Though instruction in the field is only four or five years old, courses in radio speech are reported in 90 institutions, radio writing in 57, radio dramatics in 53, radio production in 43, radio music in 21, radio advertising in 19, television in 13 and radio law in 5.

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CONGRESSMAN RAPS "QST" AD; ADVERTISER EXPLAINS

Representative Phillips (D), of Connecticut, on last Saturday placed in the Congressional Record some correspondence he had in connection with the scurrilous reference to President Roosevelt which appeared in the January issue of QST, a monthly magazine for radio amateurs

The reference, identified only by magnifying glasses, alluded to the President as "The God Damned President of the United States". It had been inserted in an advertisement of the Hygrade Sylvania Corporation.

The work was traced to a free lance artist, Edward du Souchet, of Tenafly, N. J., who had been hired by Cecil, Warwick & Legler, of New York. The artist said he did not recall writing the sentence although he said it might have evolved from "hen-tracks" he made in connection with the drawing. No prosecution is contemplated.

Hygrade Sylvania in a statement published in the Record by Representative Phillips said, in part:

"A recent advertisement of the Sylvania Radio Tube Division of the Hygrade Sylvania Corporation, which appeared in a number of radio-trade publications, has been the matter of much comment. Entirely without our knowledge, intent, or purpose, there appeared in this advertisement, in a semi-concealed state certain coarse and offensive phrases . . .

"No one who subsequently handled this advertisement as it went through the various stages of engraving, proving, and final printing of the publications noticed that the supposedly illegible type, when placed under a magnifying glass revealed the questionable material referred to.

"To our thousands of friends and acquaintances in the industry it is unthinkable that our company could have possibly had any conscious part in such a deplorable incident, and we hope that this explanation will make the whole situation clear in the mind of any one whom it reaches.

"The matter has already been called to the attention of the inspector in charge of the general post office in New York City, who now has all the circumstances under investigation.

"We realize, in making this statement, that we may be bringing the matter to the attention of many who otherwise would not have been advised of it; however, we feel that complete candidness is called for and we feel confident that our good faith will be unquestioned and our good-will unimpaired."

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1/18/38

CBS ADULT EDUCATION BOARD ANNOUNCES PLANS

The Columbia Broadcasting System's Adult Education Board yesterday made specific recommendations for increasing radio's service in the field of education through programs which would dramatize the processes of learning; give the American radio audience a comprehensive picture of the nation at work; and provide a testing ground for development of new ideas in the whole field of education.

The Board, made up of leading educators and publicists from every section of the country, with Lyman Bryson of Teachers' College of Columbia University as its Chairman, made public its conclusions after an all-day meeting at the CBS network headquarters at 485 Madison Avenue.

Immediately following the meeting, William S. Paley, CBS president, announced that plans would be formulated at once to carry out the Board's recommendations and that evening broadcast periods have been withdrawn from sale in order that the recommended programs might reach a maximum audience of grown men and women.

The Board's recommendations were:

1. The establishment of a series of half-hour evening programs dramatizing the processes of learning.

2. The establishment of a series of dramatic studies of "America at work" - radio portraits employing to the full the average American's curiosity in what his neighbor is doing - in art, business, industry, research, science, government services, religion, music and all the pattern of active life that constitutes American democracy today.

3. The continuous use of evening periods withdrawn from the commercial schedule and definitely reserved for experimental broadcasts in the educational field These programs would be designed to win listeners and appeal to the radio audience in direct competition with commercial entertainment. These periods will be employed to try out a variety of suggestions made by members of the Board.

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HEINL RADIO BUSINESS LETTER

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CONFIDENTIAL — Not for Publication

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No. 1094

January 22, 1938

CRAVEN URGES CAUTION, FEW CHANGES IN ECONOMIC REPORT

The Federal Communications Commission was advised to proceed cautiously in disturbing the present economic set-up of the American broadcasting system, particularly in licensing super-power stations or forcing newspapers out of the radio business, by Commissioner T.A.M. Craven this week in a long delayed report on the economic phases of broadcasting.

The voluminous report, which was to be released for publication Monday morning, was prepared by Commissioner Craven while still Chief Engineer of the FCC and prior to July 1st last. It was held up because of the uncertainties of the Inter-American Conference at Havana last Fall.

Submission of the report paves the way for the FCC to put into effect the general reallocation and classification of stations recommended a year ago by the Engineering Department and endorsed by the Inter-American Conference.

Major findings and recommendations in the Craven economic report are:

That there is no immediate need for super-power stations, such as WLW's 500,000 watt transmitter and that their general establishment might prove detrimental to the economic welfare of smaller-powered stations.

No drastic action should be taken against newspaper ownership of radio stations until a further study is made. Decisions, as in the past, on applications of newspapers for facilities should be based on the conventional standard of public interest, convenience, or necessity.

The present American system of private commercial broadcasting should be left undisturbed basically by the Federal Government or Congress but "standards of public service" might be set up and provisions "for the rendering of specific services."

More accurate and comprehensive reports should be demanded of broadcasting stations, especially as to their profits, expenses, and programs, for consideration when licenses are up for renewal.

The report contains a mass of information as to the cost of broadcasting stations, distribution of classes of stations, and other data.

Commissioner Craven explained that the report was submitted "solely as a basis for discussion" by the Commission and should not be considered as the final conclusions of that body.

Explaining the American system of broadcasting in contrast with government ownership or government-fostered monopolies as they exist in foreign countries, Commissioner Craven said it is "reassuring" that Congress as recently as 1934 "reaffirmed the basic American policy by carrying forward in the Communications Act of 1934 the principles concerning broadcasting, which, after extended study and public hearings, it had established in the Radio Act of 1927.

"Therefore, the Engineering Department has adopted the premise that the existing policy of the nation, as expressed in the organic law enacted by the Congress of the United States, is fundamentally sound", the report added. "The Engineering Department knows of no facts or legal reasons for suggesting a radical change in this fundamental law, and we feel that basically the American system of broadcasting has been proved beyond question to be the best for our country. In fact, we believe that compared to all foreign systems with which we are personally familiar, the American system of broadcasting has demonstrated its acceptance by the public in greater listening hours and larger ownership of receivers in proportion to the population. It is also particularly reassuring to note that the ownership of receivers in the United States has been increasing from year to year.

"We know of no reason for changing the doctrine of fair competition, both local and national, among individuals as well as among organizations, and we believe that adherence to the diversification doctrine of licensing stations in any community or region, as well as in the nation as a whole, is a sound public policy.

"In view of the natural technical limitations in the total radio facilities which can be made available to any community or to the nation as a whole, a faithful adherence to the American system requires the voluntary refraining by licensees, or groups of them, from using their own broadcasting facilities to engage personally in editorial discussions of public questions to their own advantage or solely in accord with their own doctrines or personal beliefs. We suggest that an essential practice in the continued successful operation of the American system of broadcasting appears to be that in which licensees of stations will make reasonably available their stations for use by all classes and creeds on a fair and equitable basis having due regard, of course, for the necessity of rendering a balanced program service to sustain the interest of the public in their broadcasts.

"The evidence shows that at the present time by far the major portion of the financial support of radio broadcasting in this country is as a result of advertising, both national and local. This differs greatly from the practice of many foreign

countries where the support for service is obtained by direct taxation on the receiver-purchasing public. Congress has never directed that such an additional tax burden be placed on the people."

The report states that one of the greatest advantages of the American system of broadcasting is that it is sufficiently flexible to be capable of improvement, and it is undoubtedly true that in any such new art as radio broadcasting, progress can be made and improvements should be continuous.

"It is our conception that this rapidly growing but young industry has already rendered much excellent service in the interest of the public and that, while it can be improved, it should be given the opportunity to do so with the cooperation and guidance of the Federal regulatory body within the provisions of the Communications Act of 1934", the report states. "This is one of the many reasons that this Department feels that the procedure to accomplish the improvement previously recommended by it - briefly, 'evolution, cooperation and voluntary action, in accordance with sound economics and sound engineering' - is a wise course which will not only create a responsive action from the industry, but will also react ultimately to the benefit of the public in the 'social' aspects of radio without sacrifice of the continuity of good broadcast service to the public."

Regarding super-power the report says, in part:

"The factor involved in the use of super-power is that a small group of licensees operating on frequencies which have been assigned to them by the Federal Government would have control of radio facilities capable of reaching the entire nation. Unless care were exercised in the regulation of these licensees, the possibility exists of having granted to a few people, from natural resources of the Federal Government, the control of a system of mass communication having untold potentialities of being utilized to influence public opinion. Hence it seems that in the determination of the question of super-power must also come the consideration of the ability of the Federal Government to control these facilities, both from the standpoint of individual licensees as well as combinations thereof, in such a manner that they will operate always in the interest of the public. Therefore, if the Commission intends to grant any of the pending applications for super-power, it certainly should impose limitations on the use of such a facility as to insure its operation in the interest of the public from the broadcast standpoint.

"The evidence is not conclusive of the immediate general need for super-power, and in view of the fact that there is a risk involved to the welfare of facilities for local self expression in smaller communities, the Engineering Department urges most strongly the most careful scrutiny and consideration of each individual application that may be presented in the future, with the view of determining not only the social advantages and disadvantages from the standpoint of the individual case, but

also potentialities involved in the future. We firmly believe that any enlargement of the differential between the highest power station class and the lowest power station class should not be encouraged unless, after full consideration of the effects on the lower power classes of stations, it can be shown conclusively that a super high-power station is necessary and that beyond doubt it will be in the public interest. We also feel that considerable caution is required in granting such powerful media."

With respect to newspaper ownership of radio stations, Commissioner Craven pointed out that broadcasting obviously has present and future potentialities for public service which have affected or may affect the other media of mass communication, of education, and of entertainment. Among those which may be affected in the future is the moving picture industry, just as the latter has affected the legitimate stage. Still another which has already been affected somewhat, and may be still more in the future, is the press.

It is within the realm of possibility (perhaps very remote at present), that, through the development of facsimile, the newspaper of the future will be transmitted by radio into the home. On the economic side, while at present broadcasting obtains less than 15 per cent of the revenues expended for time and space sales in the advertising media, its rate of increase appears to be more rapid than that of other media.

From its examination of the data at hand (largely taken from the Commission's own files), the Department feels that to adopt any rule-of-thumb on a subject such as this would run the hazard of working an injury to the service received or entitled to be received by the public. The subject has too many aspects on which little or no trustworthy information is available or analyzed.

"To take the case of the press", the report states, "the question does not appear so simple as dividing all stations into those owned by newspaper publishers and those which are not. There is a considerable variety of situations among the newspaper-owned stations themselves, varying from the case where such a station is merely one of several competitive stations serving the same community to the case where the only newspaper and the only station in a community are owned by the same person; many publishers have only one station each; some have two or more, sometimes in the same city and sometimes in different cities. No adequate study has been made to show whether as a class they have furnished average, superior or inferior service; whether they, or any group of them, have acquired or exercised any undue power, social or economic; whether they, or any group of them have been guilty of any unfair practices, either editorially or with respect to advertisers, due to the combination of ownership; whether there is any tangible evidence of a tendency among them to combine and whether and to what extent they contribute toward keeping broadcasting on a competitive basis.

"Eventually a choice may have to be made between permitting or preventing other media such as the press an opportunity to supplement their older facilities with the newer invention of radio . . . . Pending the securing of adequate information, the Commission has at hand the existing procedure established under the Communications Act of 1934 and, by applying the standard of public interest, convenience or necessity to all applications, whether for new stations or for renewals of licenses, has power to cope with the situations where actual or proposed newspaper ownership of a station raises a doubt as to whether the standard has been or will be complied with in practice."

Discussing the criticism of the American radio system made at the hearing by Education and Labor, Commissioner Craven agrees with the justness of some of these criticisms and indicates that others do not take into consideration all of the factors necessarily involved. He suggests that education can be given an opportunity to utilize radio for its own purposes in the ultra high frequency portion of the radio spectrum.

The report clarifies the difference between a "network" and a chain company and states that the network system of distribution is an essential service to the public. However, it stresses the necessity for accepting the network system to preserve competition between networks, individual stations, sponsors, performing talent and others comprising the structure of broadcasting program service.

The report suggests that study should be made of the contractual relationships between chain companies and affiliated stations.

The report suggests a study of the profits being made by broadcasting stations of all classes, and declares that accurate information with regard to the subject is lacking by reason of the fact that the financial returns now being made to the Commission do not give all the necessary data to justify a critical analysis of the present situation with respect to profits. The report recommends the adoption of a form of financial report which will insure a proper study of this question. It says there is no basis for the fear that such comprehensive financial reports, if required by the Commission, would be necessarily a step in the direction of rate regulation.

The report shows that chain companies held, as of July 1, 1937, 3.86% of radio facilities in the broadcasting band; newspaper or affiliates, 28%; educational institutions, 4.85%; religious or charitable institutions, 1.71%; special groups as labor, farm organizations or chambers of commerce, 0.43%; states or municipalities, 0.86%; insurance companies, 1.29%; manufacturers of radio and electrical equipment, 1.86%; retailers of radio and electrical equipment, 2.71%; department stores, 0.72%; and others, widely diversified, 53.71%.

An important section of the report is devoted to a study of ways of securing better information and a better system with relative ease on the social and economic aspects of radio broadcasting. To accomplish this end the following suggestions are made:

Revision of existing forms for renewal of licenses to secure better factual data with reference to revenue, expenses and programs. The Engineering Department has prepared tentative suggestions as to the new forms and feels that if this matter is taken up with the industry an excellent basis for securing facts can be set in motion.

Station log forms should be revised to secure better factual data with reference to the character of programs and their sponsorship.

Organization of the Commission's staff so as to summarize the information suggested above and put it into a form readily usable for interpretation by the Commission with respect to social and economic trends. An expert should be available to advise on the interpretation of such data.

Cooperation with various trade associations and other interested organizations to centralize and coordinate all data on the subject.

Utilization of available sources of information relative to capabilities of economic support of radio broadcasting stations by various communities and sections of the nation.

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JAPAN TRADE SEEKS TO LIFT BAN ON S-W SETS

The Japan Radio Manufacturers' Association of Japan is initiating a campaign to have the Communications Ministry lift its ban on the use of short-wave receivers, the U. S. Commerce Department reports.

Two reasons are advanced. Most significant from the manufacturers' point of view is the promotion of sales of Japan-built all-wave apparatus abroad, where short-wave instruments are in wide use, says the Nikkan Kogyo. Another point made by the association is that removal of the ban would enable Japanese listeners to tune in on international broadcasts.

Preparations to organize a formal committee to direct the campaign were made last week at a meeting of the association's provisional committee sponsoring the movement. The organization is said to have been laying the groundwork for the movement for some time.

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RADIO NO LONGER A LUXURY, RMA TELLS HOUSE GROUP

The day has passed when a radio receiver may be considered a luxury, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, told the House Ways and Means Committee this week while urging that the 5 percent excise tax be repealed or at least modified.

"Radio now in the American scheme of life is a prime necessity, more necessary than ten or five years ago, and still more necessary in the future", he said. "Radio is as characteristically American as the automobiel, the moving picture, or the telephone, and reaches a larger audience. There are 7,000,000 more radios in the United States than passenger automobiles. There are more than twice as many homes in the United States equipped with radios than with telephones. In some foreign countries radio is even supplied by the government, at cost, to make it more available to the poorer citizen.

"In what classification radio may have been considered in the past does not prevail today. What might have been termed a 'luxury' or 'semi-luxury' ten years ago, or five years ago, is today a universal necessity of public usage and service. Our industry has brought down the cost tremendously, to a fraction of former years, and to a point where the poorest American family can and does enjoy its possession and the all-embracing service of radio. It is one of the most necessary and most used, most influential adjuncts of American every-day life."

If, because of revenue necessities of the Federal Government, the Committee feels that it is not practicable at present to repeal the excise tax, Mr. Geddes said, the RMA asks that it reduce the tax to 2½ or 3 percent with exemptions allowed for radio taxable unites incorporated in police, marine, aircraft, address, intercommunicating apparatus, and other commercial radio equipment.

The loss in revenue to the Government, he said, would be $3,150,000 if the tax is cut to 2½ percent and $2,500,000 if it is reduced to 3 percent.

"Radio is the only method of communication to and between the public that is entirely controlled by the public itself, through its authorized agency, the Congress of the United States, under its laws and its established administrative agency, the Federal Communications Commission", Mr. Geddes asserted.

"As a feature of family life radio ranks first. It serves every member of the family and a recent survey by Fortune magazine disclosed that listening to the radio 'led all other recreations' with the movies in second place.

"This Administration often has recognized the indisputable position of radio in our national life. President Roosevelt frequently has expressed this opinion, and I quote: 'Radio continues to play an increasingly important tole, in our daily life. Radio broadcasting has contributed much to the cause of national recovery.' And again: 'I am not unmindful of another benefit which radio gives all the people and to all classes of business, that is, the stimulation of buying power and its assistance to commerce generally.' No administration has made such effective and frequent use of radio."

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DENIAL OF FOREIGN WAVES FOR W3XAU RECOMMENDED

An unfavorable report, with loopholes, was filed by Examiner Robert L. Irwin this week with the Federal Communications Commission on an application of short-wave station W3XAU, Philadelphia, for authority to add the frequencies 15,150 and 25,750 kc.

The Examiner pointed out that prior rights to the waves are held by other countries. Use of the frequencies by W3XAU, moreover, probably would result in interference with international stations in other nations, the report stated.

However, the Examiner suggested that the applicant might specify other frequencies now held by foreign countries and admitted that the additional service is necessary.

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NEW INDIANA STATION RECOMMENDED; OTHER REPORTS

A favorable report on the application of Gerald A. Travis, of La Porte, Ind., for a construction permit to build and operate a broadcasting station on 1420 kc. with 250 watts, daytime, was filed with the Federal Communications Commission this week by Examiner P. W. Seward.

Station WAAB, Boston, was given a favorable report by Examiner Melvin H. Dalberg on its request for an increase in power from 500 watts, 1 KW to 1 KW.

A shift in frequency for WGRC, New Albany, Ind., from 1370 to 800 kc. was recommended by Examiner Dalberg.

A transfer from 1420 kc. to 1240 kc., together with an increase in power to 500 watts, with unlimited time, was recommended by Examiner John P. Bramhall for Station WEED, Rocky Mount, N. C.

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TRADE NOTES

E. K. Cohan, CBS Director of Engineering, sailed on January 15th for Cairo, Egypt, where he will represent the Columbia Broadcasting System at the International Telecommunications Conference in February. The American delegation, headed by Senator Wallace H. White of Maine, sailed on January 4th. Enroute to Cairo, Mr. Cohan will stop in London to confer with engineering executives of the British Broadcasting Corporation and to visit Columbia's European headquarters.

The U. S. Government has appealed to the Supreme Court in an effort to compel the Mackay Radio and Telegraph Company to reinstate five employees of its San Francisco office who are members of the American Radio Telegraphists' Association. The petition was signed by Solicitor General Stanley Reed.

Matters of public relations and policies of the Canadian Broadcasting Corporation were discussed with the general manager, Major Gladstone Murray, when a special meeting was held Jan. 10 in Toronto of the directors and members of the Canadian Daily Newspapers Association, the Canadian Press and the Canadian National Newspapers and Periodicals Association. In an extended exchange of views it was agreed that closer cooperation between the press and the broadcasting corporation not only would be mutually advantageous, but also would serve the public interest.

WOR, Newark, will make its entry into the realms of the ultra high frequencies next week when its new short wave transmitter starts operation from the 44th floor of 1450 Broadway overlooking Times Square. The new equipment, under the call letters W2XJI, will transmit Mutual network and WOR programs, but because of the characteristics of ultra high frequency signals, its reception will be effective primarily within a 40-mile radius.

The Federal Trade Commission has order N. R. Baskin, 32 Randolph St., Chicago, to cease and desist from certain unfair methods of competition in connection with the interstate sale of so-called novelty merchandise, including radios, clocks, cameras, smoking sets, etc. which he distributes in combination with sales books and pull boards and punch boards. Baskin trades as American Radio Company, American Novelty Company and American Radio & Novelty Co.

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GROSS RADIO TIME SALES $140,000,000 IN 1937

Showing a gain of 19 percent over 1936, gross radio time sales last year amounted to $140,000,000, according to Dr. Herman S. Hettinger, radio economist and a faculty member at the Wharton School of Finance and Commerce, University of Pennsylvania.

In a survey prepared for the 1938 Yearbook Number of Broadcasting to be released early in February, Dr. Hettinger emphasizes that radio has been remarkably successful in maintaining its rate of relative growth, the 1937 gain comparing favorably with one of 23.5% in 1936 and a 20% increase in 1935.

National network gross time sales totaled $68,970,000, in 1937 a gain of approximately 16% over the 1936 total of $59,743,860. Local gross time sales showed an increase of 20% for 1937, the total being $38,000,000, while national non-network gross time sales for 1937 totaled $33,000,000, a gain of 35% over 1936. Gross time sales for the regional networks were $1,200,000, a gain of 4% over the 1936 total. The national network time sales increased 19.3% in 1936 as compared with the 16% increase in 1937 may well be attributed to the absence of political time sales during the Fall months and the slowing of general business during November and December, according to Dr. Hettinger.

In the absence of NAB monthly reports which were discontinued last Summer, Dr. Hettinger based his analysis on monthly totals furnished by the Publishers' Information Bureau and on reports from individual stations and the networks.

A summary of his conclusions indicates that broadcast advertising in 1937 continued to lead the media field in rate of growth. National magazine volume gained between 12% and 15% during the year. The Weld Advertising Index indicated an increase of 15% in outdoor volume. Newspaper advertising during the first 11 months rose 3% over the 1936 level. Retail newspaper lineage increased 3.8% and total display advertising 1.8%. General newspaper lineage declined 0.6% and automotive lineage 6.6%. Farm paper volume rose approximately 10% during the first 11 months of the year.

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E. J. Girard, Mackay Radio and Telegraph Company, District Manager in Washington, D. C., who is well known to all leading radio communications officials, has been transferred to the Federal Telegraph Company as special commercial representative with headquarters at Newark, N. J. R. N. Scribner, New York Traffic Manager, succeeded Mr. Girard.

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CLIENTS SPENT 27% MORE IN 1937

The $28,722,118 spent by advertisers on the Columbia Broadcasting System in 1937 represents an average expenditure per client of $326,388 - or an increase over 1936 of 27% per client, according to a CBS statement.

Ot the 66 advertising agencies which placed business on the CBS network during 1937, eight billed over $1,000,000 with Ruthrauff & Ryan in the lead.

A breakdown of figures for 1937 by industry classification reveals seven industry groups expending over $1,000,000 as follows:

	1937
Foods and Food Beverages	$6,437,273
Drugs and Toilet Goods	5,114,454
Cigars, Cigarettes, Tobacco	5,040,336
Automotive	3,907,343
Soaps and Housekeepers' Supplies	2,233,933
Lubricants and Fuel	1,992,889
Confectionery and Soft Drinks	1,507,214

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DRUG AND TOILET GOODS HEAD NBC LIST FOR TIME

Maintaining its lead as the largest user of time on the National Broadcasting Company's Blue and Red Networks, the drug and toilet goods industry increased its investment in NBC time during 1937 by 19.3 per cent, or $2,203,435, over 1936, according to figures released this week. Total billings of the industry reached $13,322,990, against $11,119,555 in 1936.

The food and food beverage industry was second in total expenditures, with an increase of 13.4 percent over 1936 to $11,008,762.

The average expenditure for NBC time by 134 network advertisers was $288,442, up 24.4 per cent over the 1936 average of $231,818.

NBC's total billings for the year amounted to $38,651,286, up 12 per cent over 1936.

Among the major changes in the ranking of industries was the jump of the laundry soaps and cleaners industry into third place with expenditures of $3,392,383, up 53.4 per cent over 1936. The automotive industry was third in 1936.

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HEINL RADIO BUSINESS LETTER

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No. 1095

January 25, 1938.

WLW HEARING SET AS SUPER-POWER ISSUE IS REVIVED

The application of the Crosley Radio Corporation for a permit to continue operation of the most powerful United States broadcasting station, WLW, Cincinnati, was set for hearing last week-end as Commissioner T.A.M. Craven put a damper on the hopes of 15 other applicants for 500 KW. licenses. The date for the hearing has not been fixed.

Commissioner George Henry Payne, who exchanged vitrolic letters with Powel Crosley, Jr., President of the Crosley Radio Corporation, more than a year ago following a verbal exchange at the broadcast hearing, set the WLW application for hearing.

Heretofore, WLW's experimental permit has been renewed each six months by the FCC without formal hearing. WLW has been granted a temporary license to continue operating with 500 KW until the hearing is concluded and a decision is reached by the FCC.

Commissioner Payne was able to crack down on WLW by reason of the new administration system inaugurated by Chairman Frank R. McNinch whereby one Commissioner may act on pending applications of one classification.

Commissioner Payne's action might have little significance, other than focusing public attention on the Payne-Crosley row, were it not for the fact that it comes at a time when Commissioner Craven, former Chief Engineer of the FCC, advises the Commission to proceed cautiously in licensing super-power stations.

Fifteen applicants, most of which are now operating with the highest regular power, - 50 KW - have been waiting for more than a year for the FCC to adopt a policy on super-power.

In the Fall of 1936 most of them filed their applications after the FCC Engineering Division had advised the Commission that super-power is technically sound. Action was delayed, however, on the ground that the economic and social aspects of such high power, that might well blanket hundreds of small power outlets, should be examined first.

Commissioner Craven's report covers this phase of the problem, and the advice of the former Chief Engineer is that the Commission should proceed with caution.

Commissioner Craven's report, however, does not close the door on the continuation of WLW nor does it bar the way to the licensing of a few more super-power stations.

While advising caution, Commissioner Craven added:

"However, we feel no one should fear technical progress, and therefore, we see no logical reason for an arbitrary defensive regulation which would prevent the future use of power in excess of 50 KW in the event that evidence and data should show conclusively that such power in certain individual cases is in the interest of the public.

"It should be noted that in this connection other nations of this continent have licensed stations to use powers greatly in excess of 50 KW., and sight should not be lost of this fact from either a technical or economic standpoint.

"However, we do not believe that the evidence at the October 5th hearing justifies the wholesale licensing of stations to use powers in excess of 50 KW, because we are not convinced that the evidence at this hearing indicates the paramount need for such power generally, in spite of the fact that in specific instances it may be possible that the granting of an individual application for the operation of a station with power in excess of 50 KW might be proved to be not only an engineering desirability but also a social advantage as well as an economic feasibility, and without detrimental effects on the entire broadcast structure."

Applicants for 500 KW construction permits are:

KFI and KNX, Los Angeles; KSL, Salt Lake City; KDKA, Pittsburgh; WGN, Chicago; WGY, Schenectady; WBZ, Boston; WHAS, Louisville; WHO, Des Moines; WJR, Detroit; WJZ, New York; WOAI, San Antonio; WOR, Newark; WSB, Atlanta, and WSM, Nashville.

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Experiments with the use of ultra short waves for radio telephone conversations are being conducted by the engineers of the Danish Department of Posts and Telegraphs, the U. S. Trade Consul at Copenhagen reports. Its use will obviate the objections formerly encountered in ordinary short wave telephones which permitted conversations so transmitted to be heard by ordinary radio receiving sets, the report stated. The Government of Denmark plans to establish short wave telephone connections with the numerous small isolated islands in Danish waters and to operate the service through ordinary telephone centrals.

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A. T. & T. PLANS HUGE RECEIVING STATION IN N. J.

Plans for the latest and most efficient type radio phone receiving plant were disclosed in New York last week by the American Telephone & Telegraph Company following purchase of a 2,500-acre tract in New Jersey.

The site of the new receiving antenna, which will be trained on the signals from the British overseas station at Rugby, England, is on the great meadows of the South New Jersey coast near Manahawken, five miles south of the town of Barnegat. The project is to be completed in the Spring or Summer of 1939, and is expected to go into service immediately thereafter.

Two miles of receiving antenna, of a type developed by engineers of the Bell Laboratories and known as "diamond" or "rhombic" antennas, will be placed on poles sixty-five feet tall. The system will comprise sixteen "rhombic" units each 450 feet long, assembled end-to-end in a line pointing along the great circle route toward Rugby. The Manahawken meadows were selected by the engineers as an ideal site after numerous tests. From the receiving site overseas telephone calls will be fed by wire lines to the A. T. & T. Long Lines Building, 32 Sixth Avenue, New York, for distribution to subscribers.

Designed to lessen the influence of radio fading when signals are sent over long distances on short wave lengths, the "rhombic" system is a fixed or stationary installation of wires than can be "pointed" electrically in a vertical plane toward the waves arriving out of the sky at various angles. By utilizing a large number of the 450-foot units instead of one or two, the directivity of the whole system is sharpened like the beam of a searchlight properly focused.

Greatly improved overseas telephone service is expected to result because the new system effectively separates the desired signal from interfering noises and electrical disturbances, passing the wires on adjacent pathways. A brick building will be erected on the tract to house the necessary receivers and auxiliary apparatus. Each antenna will be linked with an individual receiver in the building through a coaxial cable, similar to the "television pipe", now installed for test purposes between New York and Philadelphia.

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N. Y. TIMES PUBLISHER TALKS ON RADIO AND PRESS

While admitting that the newspaper has "lost some of its influence and that the radio has divested it of a part of its importance", Arthur Hays Sulzberger, publisher of the New York Times, believes that "no radio speech or newsreel, no news broadcast can take the place of a newspaper performing this service."

Speaking before the North Carolina Newspaper Institute at Chapel Hill, N. C., last week, Mr. Sulzberger said, in part:

"Certainly the newspaper is no longer the unique conveyance for man's thoughts; yet that cannot mean that those of us in the newspaper field need search out other occupations. Quite the contrary. More than ever is the average man in his new-found power dependent upon accurate information to guide him in his daily life. Actions are so numerous and reactions so prompt in this new world where communication has eliminated space and crystallized time into the present that man must have all the assistance that an honest presentation of the news can give.

"Only the newspaper, gathering its reports from all the available news sources and presenting those reports without bias and without emotion can provide the balance and the perspective that are essential if public opinion is to be truly informed and if the democratic way of life is to survive. An individual may prefer to speak over the air, and thus inject his personality into what he says. Another may, for special reasons, dislike the newspapers and strive to avoid them; but since there are times when the reaction of the audience is more significant than the words of the speaker, the full picture - the picture with perspective - still demands an unprejudiced newspaper story of what was said and what happened."

He commented on the recent rebuke by the Federal Communications Commission of a radio network for an offensive skit and said he believed control of the situation by angry letters and falling sales of the advertiser might have been a better rebuke. "Different though the case may be", he explained, "it will be difficult to dispel in future political campaigsn that the fear of, or exercise of control is not influencing the freedom of the air. We whose profession makes us the shock troops of democracy must be continually on guard."

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TELEVISION STILL FAR OFF, SAY RADIO EXECUTIVES

While substantial progress has been made in television experimentation during the last few years, television as a means of public entertainment is still far off in the opinion of two of the leaders in the radio manufacturing field - Sayre M. Ramsdell, Vice-President of the Philco Radio & Television Corporation, and Eugene F. McDonald, Jr., President of the Zenith Radio Corporation.

Statements advising the public not to be taken in by optimistic predictions that television is "just around the corner" these two executives issued statements this week, almost simultaneously, discussing the status of visual broadcasting.

The statement by Mr. Ramsdell was inspired by the prediction of Charles F. Kettering, Vice-President of General Motors, that television would be the next great industry in the United States.

"I disagree with Mr. Kettering", said Mr. Ramsdell, "because while it may be somewhat of a displacement industry, television must wait until its broadcasting range can match its receiver sets on a country-wide basis. This is far away. Then, again, television is an off-shoot of the radio industry and will never supplant radio.

"If television is to be converted into a large industrial venture in the near future, it will mean the expenditure of, conservatively, a hundred million dollars to spread even a limited number of stations over the United States. This cost would have to be borne by the industry in order to create a market for television sets as there would be no commercial value to the stations until advertising possibilities had been demonstrated. And there must be a sale of receivers to justify the erection of stations. It's all very much of a vicious circle, something like the old saw about which came first - the chicken or the egg.

"Profits are still the gauge of an industry's success", continued Ramsdell, "and television even after it makes its bow, will be years removed from any actual profit. Any television system would be a 'red' network very literally."

He said he was basing some of his observations on television's progress, or lack of it, in Great Britain.

Television was introduced to the public in Britain in August, 1936. In August, 1937, the first year of television showed actual sale of approximately 1,350 receivers, Mr. Ramsdell stated. Television activities had to be confined to within a fifty-mile circle of London, though that area holds about a third of the population of Great Britain. Three million radio sets are owned in the same area.

There is a big increase in television sales since last August, according to Mr. Ramsdell. He estimated that by the end of television's second year 10,000 sets will have been sold.

"This," he declared, "was acomplished by a drastic price cut. Prices on television sets were reduced from $375 as the cheapest to a range of from $175 to $275. Yet British manufacturers will tell you that in order to make a reasonable profit, a receiver would have to sell for $500 or more.

Mr. Ramsdell disclosed that Philco Radio & Television Corporation of Great Britain has not even considered it worthwhile to enter the television business as yet.

"Philco is as ready for television as anyone, but we do believe in facing the full facts. One of those facts", he added, "is that television is likely, for some time to come, to be not so much of an industry as a headache."

Commander McDonald's statement was made in response to many inquiries regarding the status of television.

"My own conclusions on the status of television", he said, "are naturally based on the closest possible association with the radio industry, and the technical findings of our own television engineers. Television is just around the corner - but only for stock salesmen and deluded investors who believe these salesmen when they say that television will soon be in every home. It is time the public is told the truth. Television is coming, but serious technical and economic difficulties are delaying its introduction. Even with the finest laboratory equipment, experts have been unable to project clear pictures more than twenty-seven miles. Changes in television transmitting apparatus have been so rapid and so continuous that television receivers sold only one year ago are now obsolete.

"As television now stands, two thousand transmitters would be needed to give adequate coverage of the United States and to wire them together as radio station are now joined would require ninety thousand miles of special cable at an approximate cost of one dollar a foot for installation, or approximately one billion dollars. Television is likely to find its first application over telephone wires instead of by means of wireless television transmitters. The American Telephone and Telegraph Company subsidiaries are having television privileges included in their franchises. Television is coming, but it is not 'just around the corner'. My only interest in making this statement is to clear up once and for all confusion in the public mind, largely fostered by differing forecasts on the subject by men prominent in the public eye."

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TRADE NOTES

Pursuant to Section 354(d) and (f) of the Communications Act of 1934, as amended by Public No. 97, approved May 20, 1937, 75th Congress, the Federal Communications Commission has modified paragraph 12 (c) (e) of the Ship Radiotelegraph Safety Rules of May 21, 1937, and deleted paragraph 12(d), thereby prescribing the minimum acceptable power rating and other engineering specifications for radiotelegraph transmitters installed on board vessels of the United States subject to title III part II of this Act.

Westminster Abbey, historic shrine of the British Commonwealth, resting place of her kings and heroes, is being wired for sound. The impression made by the extensive public address system which was installed for the Coronation ceremony in May was so favorable that work is now progressing on a permanent installation. The system for the Coronation and for permanent installation is supplied and installed by Standard Telephones & Cables, Ltd., manufacturing subsidiary in London of the International Telephone and Telegraph Corporation. Six microphones and 70 amplifiers are involved. The system is regarded as one of the most complete and most modern in use anywhere.

NBC last week began construction of its new Hollywood radio center on the same site which not many years ago cradled the motion picture industry. The new building, its cost reported at $2,000,000, will rise at the world-famous intersection of Vine Street and Sunset Boulevard, where early screen stars produced their melodramas for the Famous Players, Lasky Corp.

Keith S. McHugh, Assistant Vice-President of the American Telephone and Telegraph Company, was elected last week a Vice-President of the Company. He has served the Bell System in various capacities more than nineteen years. In 1925 he joined the New York Telephone Company as General Commercial Manager of the Albany area, and in 1929 he was appointed Commercial Engineer of the American Telephone and Telegraph Company. Since 1934, he has been Assistant Vice-President of A. T. & T.

Christy R. Bohnsack, Program Direction of Station WNYC, New York City, was dismissed from service last week by Acting Commissioner of Public Works Edward J. McGrew, Jr., following a hearing on charges before Assistant Commissioner Davis A. Thompson. The charges against Mr. Bohnsack, according to Mr. McGrew, were "absence without leave and failure to properly



cooperate in the work of the station." The charges were brought against Mr. Bohnsack by Dr. Seymour Siegel, Acting Director of the station, Commissioner McGrew said.

Station WOR, Newark, has confirmed the report of the Brooklyn Tablet that it had refused Father Charles E. Coughlin permission to broadcast over its networks under the terms of a new policy which prohibits "controversial subjects or religious broadcasts on a commercial basis."

Denial of two applications for new broadcasting stations was recommended to the Federal Communications Commission by Examiners this week. The applicants are Shirley D. Parker, of Yakima, Wash., and Colonial Broadcasting Co., Morristown,N.J.

Nearly 200 students at Cornell University are receiving training in the scientific and technical phases of radio. More than 100 underclassmen are members of the Cornell Radio Club, established last Fall, and meet regularly to discuss technical problems. They plan to construct a short-wave transmitter for experimental purposes.

Power increases were recommended to the Federal Communications this week by Examiners for Station KTUL, Tulsa, Okla., and WDWS, Champaign, Ill. Station KTUL's boost would be to 1 KW-5KW., while that of WDWS would be to 100-250 watts.

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MAGNETIC STORM PLAYS HAVOC WITH SHORT-WAVES

A severe magnetic storm, noted by the U. S. Coast and Geodetic Survey at its magnetic observatory near Washington, D.C., severely disrupted short-wave radio transmission last week-end.

Operators in charge of the overseas radio telephone and telegraph facilities of the R.C.A. Communications, Inc., and the American Telephone & Telegraph Co., in New York, said that the transmission had been poor for several days prior to an almost complete interruption on Saturday afternoon.

Discussing the magnetic storm, the Coast and Geodetic Survey said:

"The earth acts like a great spherical magnet, and like a magnet it is surrounded by a magnetic field, which varies from hour to hour and from day to day. At irregular intervals this field is disturbed by what are called magnetic storms, the reason for which is not fully understood. It is known, however, that they usually accompany the appearance of large spots on the sun, which at this time are more frequent, since we are approaching the maximum of the sun-spot cycle."

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GROWTH OF HOLLYWOOD AS RADIO CENTER CITED

The rise in importance of Hollywood as a center of radio broadcasts, as well as the world's movie capital, is set forth in an article "Hollywood Broadcasts" by Stuart O. Blythe, Associate Editor of California, a monthly magazine published by the California State Chamber of Commerce in San Francisco. The article appears in the January issue.

"California now leads the nation in the purveying of entertainment for the millions", he wrote. "For many years the home of the film industry, it has more recently reached out and taken the leadership in the production of radio programs. The year 1938 opens with Hollywood the undisputed entertainment capital of the United States. New York City still holds sway with the legitimate theater and with the concert stage, but for its movies and its radio programs the country looks today to that city within a city - Hollywood.

"Since 1935, Hollywood has come forward with a rush as the point of origination for nationally broadcast big time radio shows. The past year saw the number increase until at present the great majority of the stellar attractions, stellar as to talent and stellar as to audience appeal, are 'Made in Hollywood.'

"The rise of Hollywood in radio is explained by the fact that the stars of the screen and the stars of the radio tend more and more to become the same group of personalities. Idols of the movie fans are in demand for radio programs and, conversely, those who have acclaim from radio audiences are sought for the films. The sum of it is that talent of all kinds has converged upon Hollywood until today it boasts the greatest reservoir of talent in the world - actors, singers, musicians, composers, arranger, song writers, gag men, dramatists, producers, technicians - into which both the movies and the radio can dip at will. Nowhere else can an entertainer serve two masters more handily.

"In a word, radio has mushroomed in Hollywood, is still expanding, and no one can predict what the future will hold forth. About all you can say is that movies and radio are happily married today and the prospect that one or the other will ever seek a divorce at this writing seems remote. Time will tell.

"In 1935, four programs originating in Hollywood were being broadcast coast to coast. At this moment there are nearly fifty. Some of them took off in New York and later were shifted to Southern California but most of them claim Hollywood as their birthplace.

"In 1932, commercial broadcasts from California over the networks of the National Broadcasting Company totaled twelve hours of time for the entire year; during 1937 more than 700 hours of radio time were used by this company alone, to say nothing of the program contributions of the Columbia Broadcasting System out of Hollywood and the national broadcasts that reach the rest of the country through the Don Lee-Mutual affiliation.

"Less than two years ago four persons handled the business of the Columbia Broadcasting System in Southern California; today 200 persons are on the payroll. NBC has seen a similar expansion of personnel, and the importance of Hollywood in the radio picture is emphasized by the recent transfer of headquarters of its western division from San Francisco to Hollywood."

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DAYTIME ADVERTISING ON NBC UP 34%

Thirteen additional advertisers began the use of daytime radio hours on the National Broadcasting Company in 1937, according to an NBC statement. Advertisers' expenditures for NBC day time rose 34 per cent over 1936 to an all-time radio high of $10,368,566.

The annual investment of advertisers in NBC daytime programs, for time alone, has more than doubled in the past five years. In 1933, total billings were $4,355,146; in 1934, this rose to $5,232,133; in 1935, it reached $5,513,294; in 1936, $7,695,482, and in 1937, the new high of $10,368,566.

On January 14, 1938, 23 advertisers were sponsoring 56 1/2 daytime hours a week on NBC's two networks.

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Probably the only Sunday School in the world which is maintained by means of radio is at Longreach, Western Queensland, Australia. From the station there the Rev. R. H. Noack, of the Presbyterian Church, broadcasts lessons to children every Sunday, and there is a wireless collection. The scholars send their contributions through the post, to be used towards the costs of the broadcasts.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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25 ULTRA-HIGH WAVES SET ASIDE FOR EDUCATION

The Federal Communications Commission late this week set aside twenty-five channels in the ultra-high frequency band between 41,000 and 42,000 kilocycles for assignment to non-commercial educational broadcast stations.

Chairman Frank R. McNinch stated that the channels "will provide adequate facilities for service to every city and town."

Because of the limited range of the frequencies, the service will be chiefly of a local nature, although the FCC explained "it is reasonable to expect that in the near future there will be a marked improvement in the coverage obtainable."

This allocation is the first ever made to educational interests as class although there have been sporadic demands for such assignments for years in Congress and among educational organizations.

Scores of educational broadcasting stations have been licensed from time to time, however, on the same basis as commercial outlets, but most of them have been unable to compete with commercial competitors and have either sold their facilities or allowed their licenses to lapse.

The power of the new ultra-high frequency stations will be from 100 to 1,000 watts.

"Satisfactory signals can be delivered to cities and small counties under favorable conditions", the FCC stated. "However, due to the propagation characteristics of the frequency, State-wide coverage cannot be expected except in cases of the smallest States and under most favorable conditions."

Chairman McNinch added that rapid technical progress is being made in the development of the service on ultra-high frequencies, however, and that wider coverage might be expected in the near future.

The educational stations envisioned by the FCC will be expected to serve a dual purpose. They will be authorized to broadcast lectures and educational matter directly to class-rooms of the public schools and to transmit educational and entertainment programs to the general public.

In accordance with the rules of the FCC governing ultra-high frequency stations, the broadcast service must be primarily

of an educational character, and no sponsored or commercial program of any character may be transmitted.

"The Commission regards the establishment of the non-commercial educational broadcast stations", said Chairman McNinch, "as an important step in line with its established policy of encouraging education by radio, and it expresses the hope that the radio facilities now made available solely for this purpose will be used to the fullest extent for the general advancement of education."

After enactment of Section 307(c) of the Communications Act of 1934, and in accordance with the requirements thereof, the Commission conducted extensive hearings on the question of the advisability of making a definite allocation of broadcast facilities to non-profit making activities. Upon the conclusion of these hearings, a report was made to the Congress on January 22, 1935. The Commission recommended therein "that at this time no fixed percentages of radio broadcast facilities be allocated by statute to particular types or kinds of non-profit radio programs, or to persons identified with particular types or kinds of non-profit activities." This report further proposed that a conference be held in Washington to perfect plans for closer cooperation between broadcasters and non-profit organizations. "

A conference was held in Washington May 15, 1935. As a result of this conference the Federal Radio Education Committee was created by the Communications Commission in cooperation with other Governmental departments. Dr. John W. Studebaker, United States Commissioner of Education, accepted Chairmanship of the Committee.

Thereafter and on June 15, 1936, there was held an informal engineering conference in Washington, for the purpose of discussing the allocation of radio facilities for all purposes. At this conference Dr. Studebaker presented a statement outlining the need for the establishment of a class of broadcast stations to be devoted to the advancement of education in connection with the country's school system.

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Kenneth H. Berkeley, General Manager of the National Broadcasting Company's Washington stations, says that in his long radio experience, he's never encountered anybody so completely at ease before the microphone as President Roosevelt. Mr. Berkeley has often seen F.D.R. in the midst of a fireside chat at the White House, stop periodically not only to place a fresh cigarette in a long holder, but to light it and go on smoking without the slightest suggestion of interruption in the reading of his manuscript.

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FCC QUIET ON CRAVEN REPORT; McNINCH RUMOR REVIVED

While members of the Federal Communications Commission maintained a discreet silence on the report of Commissioner T.A.M. Craven, former Chief Engineer, on super-power and other economic phases of broadcasting, the rumor was revived that Chairman Frank R. McNinch was preparing to return to the Federal Power Commission.

Indications were, however, that Mr. McNinch will remain at the helm of the FCC so long as there is any threat of a Congressional investigation of broadcasting and the FCC. That may mean that he will hold on to his temporary assignment until Congress adjourns in the late Spring or early Summer.

Members of Congress also greeted the Craven report with silence, but it was believed that they were generally pleased with the advice to the FCC to proceed cautiously on super-power extensions.

Meanwhile, attention was drawn to a supplementary section of the Craven report that was prepared by Dr. Herman S. Hettinger, of the Wharton School of Finance, University of Pennsylvania, who was lent to the FCC Engineering Department a year ago to investigate the economic phases of broadcasting.

It was Dr. Hettinger's report that was kept discreetly secret by the Commission until the final Craven report was drafted and the Havana Radio Conference was concluded for fear that it would arouse a new controversy on super-power.

Dr. Hettinger's general conclusions, which are a part of the Craven report, follow:

"1. The revenues of the 50-kw stations of the country as a group, both present and anticipated, are sufficient to meet the increased cost of operation involved in elevating the power of twenty-five stations to 500 kw. power.

"2. These revenues will not be sufficient to finance the construction cost and new capital investment completely out of a single year's revenues. A considerable portion of the capital funds will have to come either from accumulated reserves or new financing.

"3. Analysis of the position of 50-kw stations by size of community shows that potentiality of economic support exists most probably in communities of 400,000 population and over, and that there is some doubt as to the ability of smaller cities to support stations of this size.

"4. Since the position of economic support varies, even more directly with trade and buying power than with population, exceptions may exist in some smaller communities and with regard to a very limited number of relatively non-competitive high power stations which might be located in rural areas.

"5. These exceptions merely modify rather than invalidate the general conclusion. They point the need of following the suggestion made by the clear channel group that 500 kw power be granted only 'depending upon the evidence heard in the case' and that consideration be given to 'a particular applicant's ability or the community's ability to bear and support the increased financial burden.'

"6. Though as complete analysis was not possible with regard to the actual increased cost involved in raising regional station power to 5 kw, it would seem that, where such power was economically and socially desirable, no undue financial burden would be placed upon the station.

"7. The competitive effect of 500-kw stations upon regional stations and local stations remains primarily speculative. The comparatively narrow margin existing between technical costs on a 500-kw basis and probable revenues seems to indicate that an intensification of competition, wherever this is possible, will ensue. But the extent of this competition, its exact nature, and its ultimate effect remain speculative.

"8. The dearth of comprehensive and authoritative knowledge of station costs and revenues is so marked at the present time as to make it highly advisable that more complete and satisfactory data be collected in these two fields which can be used as the basis for study and analysis by the Commission's staff and on which sound general conclusions can be based."

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NEW NEWSPAPER STATION RECOMMENDED; ANOTHER REJECTED

A favorable report on the application of the Evening News Press, Inc., of Port Angeles, Wash., was submitted to the Federal Communications Commission this week by Examiner Melvin H. Dalberg. The requested allocation is 1500 kc. with 100-250 watts power, unlimited time.

The same Examiner dismissed with prejudice the application of W. H. Hartman Co., publisher of the Waterloo Daily Courier, Waterloo, Ia., for a construction permit, using 1400 kc. because the applicant was unprepared to present his case when the hearing was called.

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PRESS WINS RESTRICTION ON USE OF RADIO WAVES

Newspapers and press associations won the support of the Federal Communications Commission's Engineering Department this week in a proposal that mobile station frequencies recently set aside for press communications should be limited to newspaper and press association licensees.

Spokesmen for radio communications companies attending an informal conference in Washington suggested that they be permitted to acquire the licenses, but Edward Lee White, FCC engineer, who presided, held that they had been over-ruled by the press representatives.

Eleven of these frequencies, between 30,000 and 40,000 kilocycles, were set aside by the Commission in a recent order. Colonel White said they had been divided into two groups, five in one and six in the other, and that the Commission believed they would have to be used in pairs.

Five of the frequencies are suitable for the use of portable mobile stations, such as small sets that a reporter might carry on an assignment in a pack or that might be set up quickly in an automobile and airplane.

The other six would be suitable for portable low-power stations with a limit of fifty watts, which would be set up at some central point close to a telephone or telegraph line and would act as receiving stations for the mobile portable stations actually being carried to the scene of the assignment.

As a basis for further discussion and guidance these rules were suggested:

"The term 'relay press station' means a station licensed to transmit from points where wire facilities are not available news for publication or orders, instructions and inquiries concerning such news.

"A license for a relay press station will be issued only to newspapers and press associations, provided, however, in cases where it is impractical, impossible, or prohibited by laws or regulations for the newspaper or press association to install, operate or maintain the necessary equipment under its legal control the Commission may grant special temporary authority for each event to other persons to operate as a relay press association equipment already licensed for another service.

"The license of a relay press station authorizes the transmission of news for publication or orders and inquiries concerning such news to be published by newspapers or press associations with which the license is regularly affiliated."

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CONNERY CRITICIZES FCC LETTER ON MAE WEST

The letter of rebuke addressed to the National Broadcasting Company by Chairman Frank R. McNinch of the Federal Communications Commission with regard to the Mae West broadcast was criticized by Representative Connery (D.), of Massachusetts, in an extension of remarks in the Congressional Record of Wednesday.

The letter itself was inserted in the Record as an example, Representative Connery said, of the "threatening-but-do-nothing" attitude of the FCC.

Representative Connery's remarks on the letter follow:

"Mr. Speaker, in my address on the floor of the House on Friday, January 14, I took the liberty of prophesying that, despite the threat on the part of the Federal Communications Commission to penalize the National Broadcasting Company for permitting its radio stations to broadcast into unsuspecting, clean American homes an indecent and blasphemous program, the real penalty would be only a reprimand from this letter-writing Commission.

"I note in the well-informed Washington Merry-Go-Round, published daily, a comment and a prophecy which will indicate that it is generally understood that the radio monopolists control the actions of the majority of those constituting the Federal Communications Commission. The item reads as follows:

"'However, Mae did not write the lines. She was handed a part to read, and she read it.

"'Under the law the FCC has the power to keep the ether clean and to prosecute anyone who defiles it. However, it is a good bet there will be no action against the National Broadcasting Co. It has too many cooperative friends on the Commission.'

"For the information of the House, it might be well for the Members to have a record of the threatening-but-do-nothing letter written by the Federal Communications Commission to the National Broadcasting Co. in answer to the many protests against the intrustion into American homes of indecent radio programs."

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The City of New York has filed an application with the Federal Communications Commission to change the name of the operator of Station WNYC from the Department of Plant and Structures to the Municipal Broadcasting Company.

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KENNEDY NAMED FCC ASSISTANT COUNSEL

The Federal Communications Commission this week appointed James A. Kennedy to the position of Assistant General Counsel, effective February 1st, to succeed Carl F. Arnold. Mr. Kennedy has been serving in the capacity of Acting Assistant General Counsel since Mr. Arnold's resignation.

Mr. Kennedy is a native of South Carolina and obtained his education at the University of Richmond, Richmond, Virginia, George Washington University and the University of Virginia. After nearly two years in the Air Service during the World War, he returned to South Carolina in 1920 and practiced law until September, 1933, when he accepted a position as Senior Attorney with the Agricultural Adjustment Administration. In December, 1934, Mr. Kennedy was appointed as a Senior Attorney with the Federal Communications Commission, being later advanced to the position of Principal Attorney.

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RADIO EXCISE TAX RETURN SETS NEW HIGH

Although Treasury collections last December of the Federal 5 percent tax on radio and phonograph apparatus declined sharply, by 26.1 percent, total tax collections for 1937 reached a new high record of $6,658,692.23, 2.2 percent larger than the previous high record of 1936, according to compilations of Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association. Total collections in 1936 were $6,514,898.45, which were 47 percent larger than the previous year of 1935. Since the excise tax law became operative June 20, 1932, the industry has paid total radio taxes of $24,912,261.84, exclusive of additional taxes on automobile radio and accessories.

The December radio tax collections were $669,545.35, compared with $906,358.41 in December 1936. The December tax on mechanical refrigerators totaled $444,144.87, against $319,439.34 in December 1936.

Radio tax collections for the six months ending last December were 2.3 percent less than those for the similar six months' period in 1936.

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RADIO EXCISE TAX RETURNS ARE NOW HIGH!

Although Treasury collections last December of the Federal 8 percent tax on radio and phonograph apparatus declined slightly, by 0.3 percent, total tax collections for 1937 reached a new high record of $6,688,888.38, 8.3 percent larger than the previous high record of 1936, according to compilations of Bond Gardens, Executive Vice-President of the Radio Manufacturers' Association. Total collections in 1936 were $4,719,888.46, which were 47 percent larger than the previous year of 1935. Since the excise tax became operative June 30, 1932, the industry has paid total excise taxes on receipts of $26,812,887.84, exclusive of additional taxes on automobile radio and accessories.

The December radio tax collections were $888,888.88, compared with $806,884.41 in December 1936. The December tax on refrigerant materials totaled $444,144.92, against $314,402.51 in December 1936.

Radio tax collections for the six months ending last December were 5.4 percent less than those for the similar period in 1936.

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FIRST TELEVISION AUDIENCE IN UPPER CLASSES - BOICE

Because of the anticipated high prices of the first television receivers when television makes its commercial debut in the United States, the audience will come out of the upper classes, according to H. K. Boice, Vice-President-in-Charge-of Sales for the Columbia Broadcasting System.

Under a pamphlet on "Radio", designed for business executives, Mr. Boice includes a chapter, "What About Television?" which he answers thus:

"This question is included because it is asked so frequently, and because some mention of the subject is natural in a chapter on radio in a book of this kind. The answer, obviously, cannot be made as specific as I would like it to be. Television is inevitable - it is already here - but its course of commercial development is still in the future, and any arbitrary statement, at this date, as to the shape of that course would be patently absurd.

"Radio broadcasting exists in its present form because social and commercial uses were found for technical developments, some of which had lain around the laboratories for years. Television awaits discovery and application of a similar pattern. In its present form it is very costly. Satisfactory reception beyond the limits of the horizon surrounding the telecaster requires the use of the very expensive coaxial cable. Television receivers retailing at $300 will not be easy to sell in quantities. And the television audience for years to come will undoubtedly be confined to densely populated metropolitan areas.

"These known conditions raise certain immediate, known questions. When should we begin the commercial development of the materials we already have at hand? (Experimental work on television programs has been conducted by broadcasting companies for the past five years.) What service can we telecast that will be exciting enough and interesting enough to make people rush to buy sets and hold them closely attentive to programs after they have bought sets? All these questions, however, resolve themselves into one: 'How can we make television so useful that its high maintenance costs can be made to pay for themselves?'

"We may fairly assume that our first television audiences will be people of the upper income class; people who will be highly critical of our work. We know, from the tests of recent years, that even the present movies are too slowly paced to hold a television audience for long. Television programs will have to be subtly built, subtly enacted - a matter of immediate concern to advertisers. These and other problems, however, are no more complicated than those that radio presented in its early stages. Practical television is a reality; commercial television is a future certainty."

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KANSAS CITY WINS FIRST SKIRMISH WITH NEBRASKA

Although Nebraska has only ten broadcasting stations and Missouri has 19, Examiner George H. Hill in a report to the Federal Communications Commission this week recommended that the contested 1450 kc. channel be allocated to KCMO, of Kansas City, Mo., instead of either of two applicants from Lincoln, Nebr.

The Examiner held that KCMO, which now operates on 1370 kc., would be able to serve more listeners by the shift in frequency than would either of the Lincoln applicants - KFOR, or a new concern, L. L. Coryell & Son.

In justification of the recommendation, the Examiner said, in part:

"The City of Lincoln, Nebraska, had a population according to the 1930 U. S. Census of 75,933, while Kansas City, Missouri, had a population according to the same census of 359,746 and a metropolitan population of 608,186. The operation of Station KCMO as proposed would extend the service of the station to a large number of people who do not now receive such service. The granting of the Coryell application would result in one station for every 25,311 people; the granting of the application of the Cornbelt Broadcasting Corporation would result in one station for every 37,967 people and the granting of the application of KCMO Broadcasting Company would result in one station for every 79,949 people within the corporate limits of the respective cities involved and it therefore appears that the granting of the application of KCMO Broadcasting Company would be in accordance with the equitable distribution of radio broadcasting stations in the area sought to be served."

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McNINCH LAUDS WORK OF RADIO IN OHIO FLOOD

The rescue work of broadcasting stations and radio amateurs in the Ohio River Valley during the flood of 1937 were praised by Chairman Frank R. McNinch, of the Federal Communications Commission, in an address broadcast this week in connection with a Louisville gratitude celebration.

After citing the recovery of Louisville and other cities devasted by the flood, Mr. McNinch said:

"Among the agencies that made a great contribution to the saving of lives and property and administering to the health and protection of the people was that of the radio, along with other means of communication. The radio not being dependent upon connecting wires is able to render servicein times of disaster when the telephone and telegraph have been silenced through destruction of wire connections. Great work is capable of

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being done and has been done by means of radio telegraph and radio telephone when the elements have rendered the wire telephone and telegraph mute.

"I should be remiss in this connection did I not pay tribute to the great and ofttimes heroic and self-sacrificing work of the radio amateurs whose noble service has been a large factor in mitigating the loss of life and property in the Ohio River flood and in other disasters. All of you know how important radio broadcast service is in such an emergency, for it, unlike any other means of communication, conveys its message not to a single person but simultaneously to every one within hearing distance of a receiving set. In this way was directed the work of rescue and succor to the stricken and through it undoubtedly many lives were saved which otherwise would have been lost. Thus the radio served a great humanitarian cause and illustrated dramatically its instant usefulness in both national and local emergencies.

"Following the Louisville flood, the Federal Communications Commission instituted a thorough study of the possible and practicable measures through which all means of communication, radio, telephone and telegraph, may be mobilized and coordinated for even more prompt and effective service in any similar emergency. While we hope that no section of our country will be visited with a like calamity, we are confident the radio and other means of communication could now render instant and organized national service of even greater value in such a situation.

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KAROL CITES HUGE INVESTMENT IN RADIO ADVERTISING

"The most convincing illustration of the effectiveness of radio advertising is the simple year-to-year record of the expenditures of radio advertisers", John J. Karol, Director of Market Research for the Columbia Broadcasting System, told the Cincinnati Association of Manufacturers' Representatives, recently.

"Last year - on network time alone - these radio advertisers spent close to $70,000,000; an all-time high - nearly $11,000,000 higher than 1936, itself a record year", he said.

"Now $70,000,000 - outside the District of Columbia - isn't hay. Neither is it a measure of the American business man's suppressed desire to 'get into the show business'. It is an investment of private capital - an investment that must be returned in full and with generous interest if there is to be any reinvestment. For years, there has not only been reinvestment in radio - there has been increased investment.

"There are limitless possibilities for merchandising radio programs. Every point of contact with man, woman or child, with customer or employee, offers an opportunity for merchandising the broadcast. I am sure that many of you could think of opportunities and methods which have never even occurred to us. Naturally we have been more concerned with the network broadcaster's problems. I could cite such examples as that of a dairy company, advertising milk over the radio, fastening cardboard collars which invited people to listen to the radio program, around the necks of millions of milk bottles. Or the

case of a razor-blade manufacturer broadcasting a program from a moving train between Washington and Baltimore, who had the dining car menus carry for three weeks prior to the broadcast, an insert which invited passengers to listen to a unique program soon to be put on the air. Wrapping paper, billheads, dividend checks, envelopes, delivery trucks, can all be used to build increased audiences to radio programs and increased sales for the product.

"There is one final thought about radio that I would like to leave with you and that is that radio has brought back the living voice to personal salesmanship. There used to be a formula in advertising which went something like this:

"If you want to sell a man, you go and talk with him personally.

"If there are so many of 'him' you can't do that, you write him a personal letter.

"If there are so many you can't write a personal letter you send him a form letter.

"Too many for that, a printed circular.

"Too many for that, an ad.

"Fundamentally, the basic power of radio, the thing that makes it effective for advertisers, politicians, statesmen and preachers alike, is the ability to talk to your prospect personally, more intimately even than I am talking to you. Once again, manufacturers and retailers can actually talk to their customers, as they might talk in the friendliest of circumstances over a small counter. Although the radio advertiser may be reaching thousands or even millions, he is talking to each individual listener in his own home personally. If that isn't merchandising, at least it is darned good salesmanship."

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MORE FOREIGN HONORS FOR MILLS

Even in the midst of the troubled political situation in Rumania, King Carol II of that country has found time to brevet E. C. Mills, Chairman of the American Society of Composer's Administrative Committee, with the decoration of a Cavalier of the Order of Cultural Merit.

These honors accorded to Mr. Mills are in recognition of his efforts made in the U.S.A. in behalf of composers, authors and publishers of musical works.

During the past year, he was also honored by the Government of the Republic of France, which bestowed upon him the rank of Officiér of the Académie Francaise.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1097

February 1, 1938.

FACSIMILE BROADCASTING TAKES SPURT FORWARD

Heretofore playing second fiddle to television experiments, facsimile broadcasting has begun to attract increasing interest and threatens "to arrive" before its more publicized colleague. Recent developments point to an early commercialization of the art as applications for experimental licenses reflect the growing belief that facsimile broadcasting has reached a practical technical stage.

Recognizing the widespread interest in the transmission of written, published, or photographic matter via radio, Walter J. Damm, Managing Director of WTMJ, the Milwaukee Journal station, proposes to organize an association of facsimile broadcasters when the National Association of Broadcasters meets in Washington February 14-16th.

One of the pioneer experimenters in the field, Mr. Damm also disclosed that WTMJ will broaden its facsimile broadcasts as soon as new equipment can be installed.

Newspapers that are in broadcasting are taking a leading role in the development of facsimile transmission because of the general belief that it may be used ultimately to broadcast the morning newspapers to a subscriber via an attachment on his radio receiver.

Besides the Milwaukee Journal, which operates two short-wave facsimile stations, newspapers or press organizations which are engaged in experimentation are the Pulitzer Publishing Company, of St. Louis, the McClatchy newspapers on the Pacific Coast, and the Oregonian Publishing Company, of Portland, Ore.

Eight regular broadcasting stations are authorized to engage in facsimile transmission experimentally after midnight, usually between 1 and 6 A.M., while five short-wave facsimile stations are licensed.

Many more applications are pending, however, and the RCA Manufacturing Co., of Camden, N. J., the Finch Telecommunications Laboratories, of New York, and other manufacturers of facsimile equipment report that they are being stormed with orders from broadcasting stations.

Regular broadcasting stations authorized to conduct experiments in facsimile transmission are:

WGH, Newport News, Va.; WHO, Des Moines; WOR, Newark; KSTP, St. Paul, Minn.; KFBK, Sacramento, Calif.; KMJ, Fresno, Calif.; KSD, St. Louis; and WSM, Nashville.

Short-wave stations licensed are:

The Yankee Network, Inc.; the Oregonian Publishing Co., Portland, Ore.; Radio Pictures, Inc., New York, and the Journal Co., Milwaukee, Wis.

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PUBLISHERS' ORGAN APPROVES CRAVEN REPORT

Editor & Publisher accorded general approval to the section of the report of Commissioner T.A.M. Craven dealing with newspaper control of radio stations in an editorial in its current issue.

"One solid fact we gleaned from the report of T.A.M. Craven, member of the Federal Communications Commission. That is that newspapers own 28% of the stations on the American broadcast band, which makes them the largest single group of broadcasters. The rest of Mr. Craven's report referring to radio-press relationships, is in guarded words that may have several meanings.

"He fears that withholding representation on the radio from any industry may involve unreasonable discrimination without a reasonable basis; that press-radio relationship may eventually involve the freedom of speech and the press; and that it may also cause a 'possible turning aside of what may be a natural course of progress by which other established media bring their experience and their equipment to the gradual utilization of the new methods which science makes possible.'

"The establishment of undesirable precedents is also cited as a possible peril.

"If present and future Commissioners bring to their task the same solicitude for social questions as is evidenced by Mr. Craven, we don't believe the press need fear either expropriation of its radio rights, nor interference with press freedom for the maintenance. If other Commissioners are as diligent in seeking the information which Mr. Craven correctly declares is lacking, the press has nothing to fear. But if radio is to be made the volley ball between politically minded publishers and politicians who see in the radio a counter political weapon, you can look for hurricanes ahead.

"The warning, if any, in Mr. Craven's remarks, is that newspaper owners of radio stations so conduct themselves as to avoid justified criticism, and that all newspapers keep a sharp eye on the proceedings of the Communications Commission. They are potentially the most explosive in current Washington."

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FCC AMENDS RULES GOVERNING OPERATORS

Effective April 1, 1938, the Federal Communications Commission has amended in several respects Rule 443, outlining the scope of the authority granted by operator licenses. The major changes are with respect to the authority granted under the radio-telephone third class operator license. At the present time this license is generally valid for the operation of radiotelephone stations of 50 watts or less power, and with certain exceptions for other radiotelephone stations. The amended rule removes this power limitation. However, it specifically provides that stations manned solely by personnel holding a radiotelephone third class operator license must be supervised and maintained from a technical point of view by personnel holding a second class license, either radiotelephone or radiotelegraph.

The examination for radiotelephone third class operator license is limited to matters of law and regulation, and the possession of such a license gives no assurance that the holder thereof has any special technical qualifications. A number of instances have come to the attention of the Commission in which stations were involved in difficulty due to the attempts made by non-technical personnel to adjust the apparatus.

It should be pointed out that the provision of this rule does not require the person holding the second class operator license to be employed on a full-time basis or be required to stand a regular watch. It is believed that this should work no hardship on any licensee since any person that is technically capable of properly servicing and adjusting radio apparatus would have no difficulty in obtaining a radiotelephone second class operator license by examination. The setting of the effective date as April 1, 1938, should give ample opportunity for such qualification.

Other changes made in this rule do not affect the scope of authority as now existent. The rule is clarified to take into account recent changes in legislation and changes in the provisions of treaty which have become effective since this rule was first promulgated.

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NAB CONSIDERS LIBEL INSURANCE PLAN

The National Association of Broadcasters has under consideration a plan for group action to provide broadcasters with insurance against libel suits.

Following informal discussions over a long period of time, Managing Director James W. Baldwin is in the middle of a preliminary survey of trade organization members which indicates widespread interest in obtaining protection against suits and intimidation.

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N. Y. SCHOOLS PLAN EXTENSIVE USE OF RADIO

Convinced that educational horizons still are untouched by radio, the New York City school system is planning to embark upon an extensive program of classroom broadcasting, according to the New York Times. Starting March 1, daily broadcasts will take place. This may be increased later to two or three a day.

Not intended to take the place of the classroom teacher, the radio will be used, rather, to supplement the school curriculum. A committee is working on a plan whereby pupils throughout the city can listen to the programs at the same hour. Two sets of broadcasts are being prepared - one for the high school and the other for the elementary school level.

Extension of the use of the radio in the classroom grows out of the experiment conducted by the school system last Fall, when Dr. Harold G. Campbell, Superintendent of Schools, authorized seven radio broadcasts on the secondary level. These were voted a success, and as a result the authorities have cooperated to extend the local "school of the air."

All broadcasting will be supervised by members of the school staff. The script is to be written by teachers but, whenever feasible, students will be invited to participate in the writing, either as an extra-curricular project, or as a classroom activity. The radio presentations will be made entirely by pupils. Already many boys and girls have been chosen, following competitive auditions. No dearth of candidates was found, it was said.

The programs will be broadcast at the Brooklyn Technical High School, where the Board of Education maintains a radio studio linked to the municipal station, WNYC. The first series will go on the air from 11 to 11:15 every morning. The programs are intended primarily for classroom use.

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The Hazeltine Service Corp., New York, has filed an application with the Federal Communications Commission for a construction permit for a new television broadcasting station to operate on 42000-56000 and 60000-86000 kc., with 125 watts.

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All broadcasting will be supervised by members of the school staff. The script is to be written by teachers but, whenever feasible, students will be invited to participate in the writing, either as an extra-curricular project, or as a classroom activity. The radio presentations will be made similarly by pupils. Already many boys and girls have been auditioned, yielding comparatively few candidates. No dearth of capable was found, it was said.

The programs will be broadcast at the Brooklyn Technical High School, where the Board of Education maintains a radio station linked to the municipal station, WNYC. The first series are tentatively slated to be 12:15 every morning. The programs will go on the air from 11 to 12:15 every morning. The programs are intended primarily for classroom use.

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The Brooklyn Service Corp., New York, has filed an application with the Federal Communications Commission for a construction permit for a new television broadcasting station to operate on 44000-50000 mcs and 60000-66000 mcs., with 125 watts.

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WLW 50 KW LICENSE RENEWED AS HEARING IS FOUGHT

A routine renewal of the 50 kw. license of Station WLW, Cincinnati, was ordered by the Federal Communications Commission this week as it pondered a legal challenge of the designation for hearing of the station's application for renewal of its experimental license to use 500 KW.

Attorneys for Powel Crosley, Jr., filed a petition with the FCC asking a review of the action of Commissioner George Henry Payne in scheduling the experimental license for hearing. They challenged the right of Commissioner Payne to act on an experimental license despite the FCC reorganization which places him in a position of a one-man Commission under the new FCC procedure.

Indications meanwhile were that no hearing will be held for some time and that Station WLW will continue to operate with 500 KW.

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BBC CONDUCTS RADIO POLL BY MAIL

Sir Stephen Tallents, BBC Controller of Public Relations, has written to some ten thousand wireless license holders in the British Isles, inviting them to help the BBC by answering a questionnaire about their listening habits. The organization of the inquiry, which is the most ambitious experiment in listener research so far attempted in Great Britain, was worked out jointly with the British Post Office. The British Broadcasting Corporation selected the areas from which it wanted the names drawn, on a plan which ensured that every region should be represented. Then the Post Offices in each district picked the names at random and addressed the envelopes, so that the confidential nature of the record of license holders should be preserved.

The questionnaire asked, among other things, what type of program listeners preferred, what they considered the best times for them, what news bulletins they listened to, and when they usually had their sets on. In order to make the inquiry more effective, listeners were also invited to give their occupations and ages, but were expressly requested not to give their names.

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COST OF POWER RAISE CAUSES ADVERSE REPORT

The apparent inability of a community to support a 5 KW broadcasting station was given as the sole reason for an adverse recommendation this week by Examiner Melvin H. Dalberg on an application by WIBG, Glenside, Pa. The station sought an increase in power from 100 watts to 5 KW on 970 kc.

While admitting that the programs of the stations are "meritorious" and that the step-up would not cause interference, the Examiner stated:

"All of these matters, however, are entirely academic in view of the fact that the granting of this application would involve a cost of construction amounting to $49,610 and a cost of operation for the first year amounting to $60,796.60, and there was no proof whatsoever of financial support upon which a recommendation for the granting of this application could be predicated herein.

"It is therefore obvious that the granting of this application would not be in accordance with the public interest, convenience and necessity."

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NEW WEATHER RADIO STATION ATOP MOUNTAIN

The recent commissioning of a new full-powered simultaneous weather broadcast and radio range station on top of Lookout Mountain, adjacent to Mullan Pass, Idaho, brings to completion one of the most complicated radio construction projects ever undertaken by Bureau of Air Commerce engineers.

Situated 6,400 feet above sea level, the new station will furnish radio directional guidance and weather information to planes flying along the Northern Transcontinental Airway which traverses this pass through the Bitter Root Mountains. The station is directly on the Spokane-Missoula section of this airway, and the site was first suggested by airline pilots who felt that a station in this area would offer an excellent check and fixing point in addition to the directional guidance and weather information which would assist them in flying through this locality. The location of the station commands an excellent view of the surrounding country, and this feature is of particular value in analyzing and interpreting weather conditions for the information of pilots.

Profiting by past experience in the operation of radio stations in mountainous country, representatives of the Bureau quickly discarded four of the five sites under consideration because of the highly mineralized country, interwoven with mining tunnels and shafts which greatly attenuates radio signals and contributes to the phenomena known as multiple

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TRADE NOTES

William S. Paley has sent a gift of 125 CBS publications on radio broadcasting to the library of the University of Michigan, where a separate division devoted to all phases of the subject has been established. The collection will be available to students and research workers. Officals of the Columbia Broadcasting System, after conferring with Dr. Randolph G. Adams, curator of the William L. Clements Library, University of Michigan, offered to cooperate in launching the library. It is believed that this is the first collection of its kind in the country. The publications sent by Mr. Paley include the widely known research studies of the radio audience initiated by Columbia in the last seven years. In addition, the Columbia Research Division compiled a bibliography to assist university officials in their building up of the radio library.

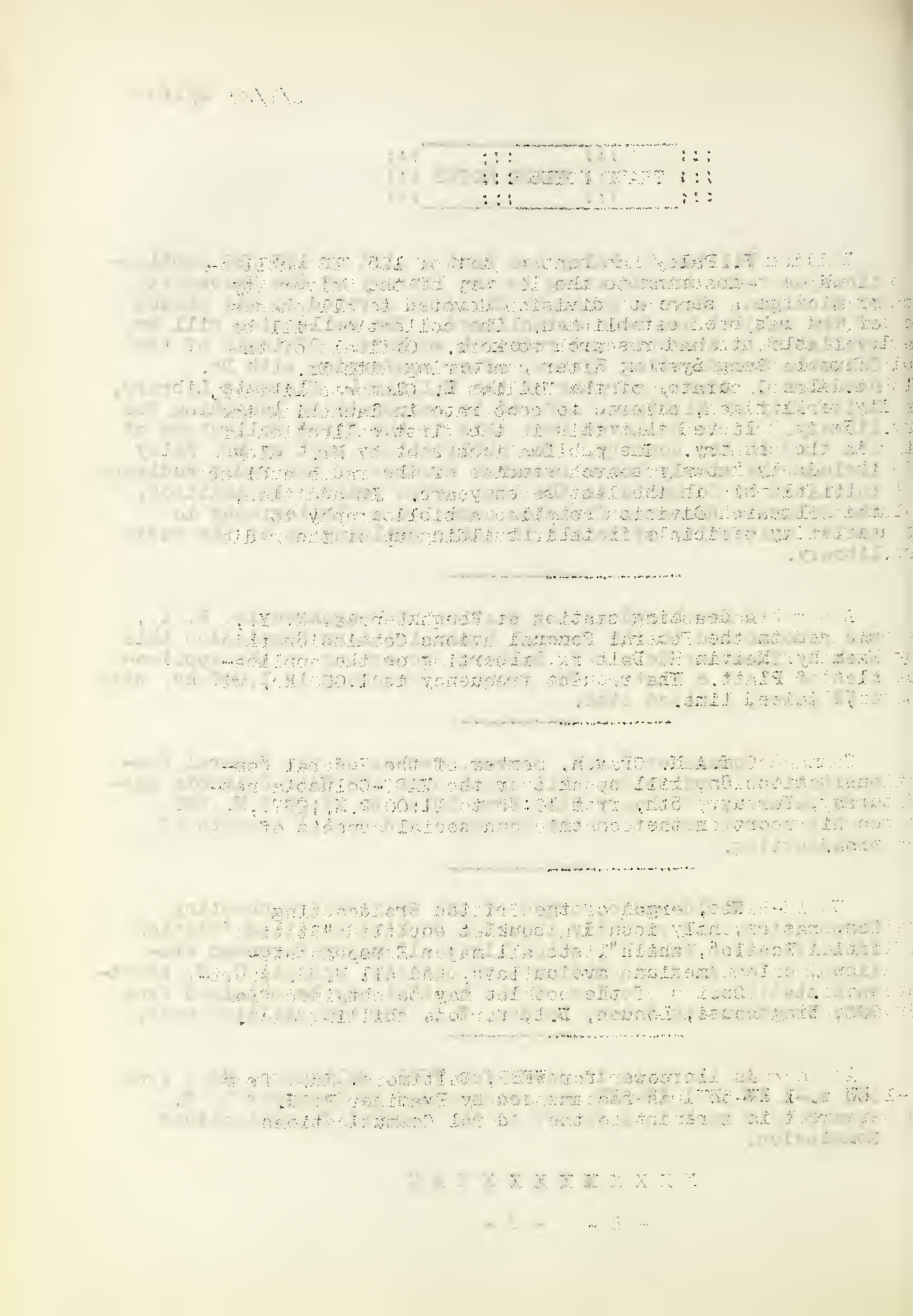
A new broadcasting station at Poughkeepsie, N. Y., was recommended to the Federal Communications Commission this week by Examiner Melvin H. Dalberg, reporting on the application of Platt & Platt. The request frequency is 1,000 kc. with 1 KW power, limited time.

Commander T.A.M. Craven, member of the Federal Communications Commission, will speak over the WABC-Columbia network Saturday, February 5th, from 10:45 to 11:00 P.M.,EST., on his recent report on the economic and social aspects of broadcasting.

World-Radio, organ of the British Broadcasting Corporation, has recently issued a booklet entitled "Station Identification Panels", which lists all major European stations, a few American medium wave outlets, and all U. S. short-wave stations. Copies of the booklet may be obtained from BBC, Broadcasting House, London, W.1, for one shilling each.

An increase in power for WFBR, Baltimore, Md., from 500 w.-1 KW to 1 KW-5KW was recommended by Examiner P. W. Seward this week in a report to the Federal Communications Commission.

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BROADCASTING ABROAD - BULGARIA

Broadcasting was introduced in Bulgaria in 1929, when a group of amateurs constructed a broadcasting station at Sofia, with antenna power of 100 watts. This station was maintained by private contributions of money and phonograph records, small advertisement fees, and amateurs' labor and service. The power was gradually increased to 500 watts, but because of limited funds the programs consisted almost exclusively of records, advertisements, and performances by amateur musicians. In 1935, the Bulgarian government assumed the technical and program supervision of the station, increasing the power to 750 watts.

Broadcasting is now a monopoly of the Government, under the management of the Administration of Posts, Telegraphs and Telephones under the Ministry of Railways, Posts, and Telegraphs.

In the early part of 1935, bids were opened for two additional broadcasting stations of 2,000 watts each, and for a national broadcasting station of 100,000. The two small stations, at Varna and Stara-Zagora, have been operating since December, 1936, and the national broadcasting station is expected to open in September.

There is also a small short-wave station (LZA) at Sofia with a wave-length of 20.04 meters, and antenna power output of 1,500 watts.

Programs are arranged both for entertainment and for cultural purposes. They include lectures of a general character and hours for children and peasants. The musical programs lay emphasis upon original Bulgarian music, modern music by Bulgarian composers and the classics. Most of the performers are distinguished Bulgarian musicians and singers, relays from the National Opera and concerts of the Bulgarian State Philharmonic Orchestra. There is a well organized news service, reporting sport and other events. The religious portion of the programs includes services from churches as well as religious talks.

Although there is some income from radio advertising, the policy has been a moderate one, and radio advertising has not over-burdened the regular broadcasting program. Most of the commercial advertisements are offered with music or some kind of entertainment, and only a small number are in the form of advertising copy. Only 10 minutes of the daily program are devoted to radio advertising (5 minutes at noon and 5 minutes in the evening) after the purely musical program is terminated.

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DAWES, DUNN, ANGELL NAMED DIRECTORS

General Charles G. Dawes, former Vice-President of the United States, author of the Dawes Plan, and subsequently Ambassador to the Court of Saint James; and Gano Dunn, noted scientist, engineer, administrator and President of the J. G. White Engineering Corporation, were elected to the Board of Directors of the Radio Corporation of America at the regular meeting of the Board held last Friday in New York City. They fill vacancies due to the recent deaths of Frederick Strauss, banker, and Newton D. Baker, former Secretary of War.

David Sarnoff, RCA President, further announced that at the meeting of the National Broadcasting Company Board, held the same day, Dr. James Rowland Angell, former President of Yale University, and now in charge of educational program development for the NBC, was elected a Director of that Company. General Dawes and Gano Dunn were also elected as Directors of the NBC.

"The election of these men as Directors", said Mr. Sarnoff, "brings to the RCA organization and its services, the benefits of a wide and successful experience in their respective fields of government, education, research, engineering, business, finance and administration."

General Dawes' long record of public service as soldier, statesman, financier and administrator before, during and since the World War, are well known at home and abroad. A native of Marietta, Ohio, he is now Chairman of the Board of the City National Bank and Trust Company in Chicago. His many contacts with business enterprises and people in the Mid-West enable him to bring to the RCA an understanding and appreciation of the viewpoint of that section of our country.

Gano Dunn, a native of New York, graduated as an engineer from C.C.N.Y. and Columbia, received the honorary degree of Master of Science from the latter in 1914. After several years in the communications and electrical engineering field he joined the J. G. White Engineering Corporation in 1911 as Vice-President in charge of engineering and construction, and was elected President of that company in 1913. He has directed such outstanding construction projects as the steam plant at Muscle Shoals, thirteen trans-oceanic radio stations for RCA, three large irrigation dams for Chile and five large dams for Mexico.

Mr. Dunn is now President of Cooper Union and a Trustee of Barnard College. He is a member of Secretary Roper's Business Advisory Council and several years ago was appointed by President Roosevelt a member of the Science Advisory Board. In 1933 he was awarded the Townsend Harris medal of the College of the City of New York, and this week he received the Thomas A. Editor medal of the American Institute of Electrical Engineers

"for distinguished contributions in extending the science and art of electrical engineering, in the development of great engineering works, and for inspiring leadership in the profession." He has been an officer or delegate on many important scientific committees and special governmental commissions and is a past president of the American Institute of Electrical Engineers. He is a Fellow of that Society, the Institute of Radio Engineers, the American Association for the Advancement of Science and many other leading scientific societies, as well as a member of the Franklin Institutes and a long list of business, historical and engineering societies.

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NEW RADIO DEVICES FEATURED AT AIR SHOW

Inspired by new civil air regulations requiring all planes flying in bad weather to be equipped with radio transmitters and receivers, the leading manufacturers of radio equipment are showing new transmitters and receivers especially designed for private airplane owners at the air show in Chicago, the New York Times reports.

The Western Electric Company of New York was featuring a new light-weight transmitter with a power output of fifteen watts with crystal control. A special feature of the set is light weight and a substantial range of operation for the power.

It is designed to operate on the frequencies used by the air lines or on the frequencies used by the Federal Bureau of Air Commerce stations under license by the Federal Communications Commission. Working through airway stations the owner of a private plane in flight can keep in touch with ground stations throughout his flight.

The RCA Manufacturing Company of Camden, N. J., is showing another low-powered transmitter and several receivers for private aircraft. The company also is featuring a simplified antenna reel developed by George W. McCauley, President of the Aeronautical Radio Company of Roosevelt Field, L. I. Prices of the equipment vary from a figure slightly under $400 for the Western Electric transmitter. But all of the quotations are substantially under prices of several years ago, when the Government first required transmitters on planes operating under instrument flying conditions.

Aircraft receivers feature simplifed and more accurate tuning dials than heretofore.

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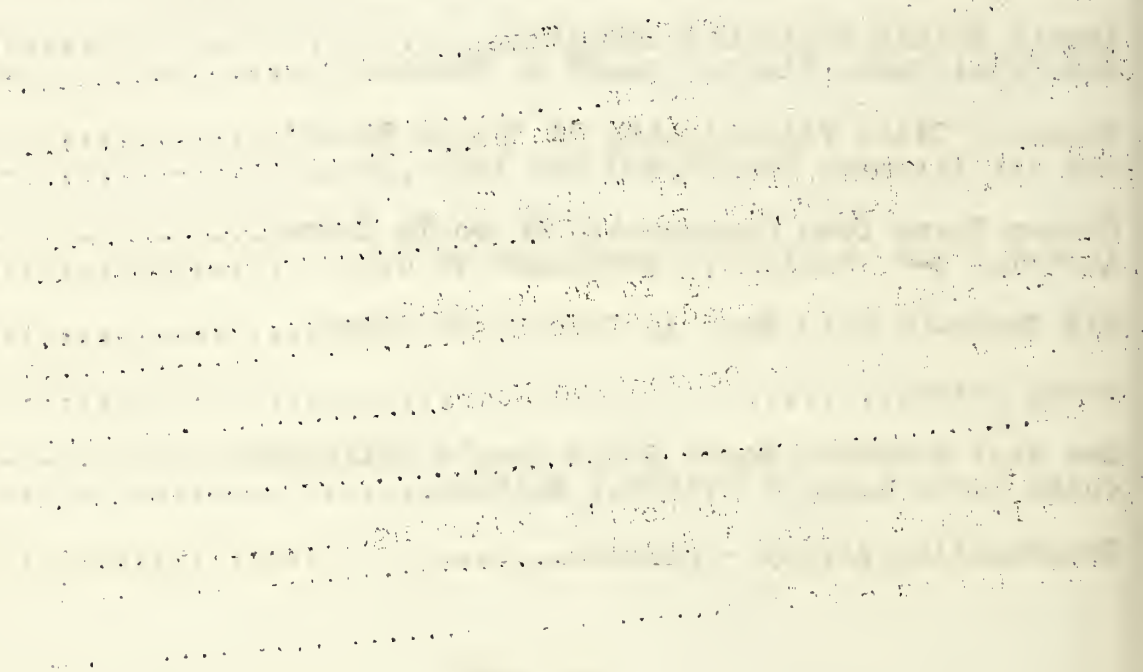
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W1XAL AND G.E. SHARE PAN AMERICAN WAVES

Good-will broadcasts to the Latin Americas from international short-wave stations in the United States were made possible this week when the Federal Communications Commission allocated four Pan American frequencies equally to General Electric and the World Wide Broadcasting Foundation, of Boston.

W1XAL, the Boston outlet, was awarded the frequencies 11,730 and 15,130 kc., while General Electric, which operates W2XAD and W2XAF, at Schenectady, was given 9,550 and 21,500 kc.

The National Broadcasting Company, which asked for the frequencies for its Chicago short-wave station, W9XF, was denied any share of the waves on the ground that its service would largely duplicate that of General Electric and that the latter would do it better.

The FCC left undisturbed the "loan" of the fifth Pan American frequency, 6120 kc., to the Columbia Broadcasting System, whose W2XE, at Wayne, N. J., uses it.

All of the allocations are on a temporary basis, however, and may be recalled at any time by the government should it ever decide to go forward with a government-owned Pan American station. No commercial announcements or advertising will be permitted.

The allocation was made coincident with the convening of the world radio conference at Cairo, Egypt, where nations will soon be scrambling for additional radio frequencies in the crowded broadcast spectrum. Had they not been assigned at this time, it is likely that a demand would have been made that they be given to other countries.

Lying idle since 1932, they were set aside by Executive Order following a Pan American Conference at Montevideo for use by the United States Government in fostering Pan American relations. At that time the United States planned to erect a Government short-wave station in or near Washington, D. C., and to operate it in the interest of this country and the nations south of the United States.

For varied reasons the station has never been built, and last Fall the Navy, which held the waves, became afraid that they might be taken away from the United States at Cairo were they not put to use by the first of February.

While a bill was introduced in the House by Representative Celler (D.), of New York, to authorize construction of a Government station, it was never endorsed by the Administration. The State Department, in fact, supported the application of the educational station, W1XAL, for all four of the frequencies.

The decision strengthens the position of General Electric as the foremost experimenter in the field of shortwave broadcasting in this country. Only a few months ago General Electric was authorized by the FCC to erect a supplementary international station on the West Coast to reach listeners in the Far East.

"Operating under the authority requested in this application Station W2XAD will provide a service to the Pan American countries", the FCC report stated. "As in the past, the programs to be rendered consist, in a large degree, of network material supplied by the National Broadcasting Company. In addition, educational programs are and will be supplied through contact with several of the larger universities. For service to the Central American countries, the General Electric Company will cooperate with the Pan American Union, from which it will receive suitable program material. The program department of Station W2XAD is under the supervision of one who has recently made a study of the needs and interests of the Pan American countries, and the type of program best suited to meet those needs and interests will be supplied.

"The so-called panel antenna was developed by the General Electric Company at Station W2XAD and tests indicate that it is an efficient directive system. A comprehensive program of research in this respect has been conducted by the applicant in the past, and will be continued as one of its major radio experiments.

"Knowledge of the signal strength in South America from European stations indicates that considerable power radiated from the United States, in the order of 100 kw, is necessary to deliver a comparable signal and thus overcome interference. This is particularly true for a broadcast service to the southern portion of South America."

Concerning W1XAL's plans, the FCC said:

"Through the use of the additional frequencies sought in this application, Station W1XAL would improve its broadcast service throughout the Pan American countries. In the matter of program material suitable for these countries, cooperation has been obtained from the heads of many large universities in the United States. Educational programs will be originated in the classrooms of those universities. The Pan American Union has associated itself with this station and has contributed program material suitable for use in the Pan American countries.

Full cooperation from this institution will be given in the future. The Program Director of Station W1XAL has personally surveyed the foreign countries which will be supplied with service from the station and has become fully acquainted with the needs and interests of the various countries involved both from economic and cultural standpoints, and with the type of program material most desirable. Concrete plans have been formulated to transmit programs in accordance with the findings made as the result of this survey.

"The experimental work on directional antennas conducted by this applicant in the past, the general surveys to determine the reaction of the foreign audiences to the programs broadcast by W1XAL, and interference to the reception thereof, will be continued, using the additional facilities involved in this application. Transmissions by means of directional antennas will be used to accomplish an improved coverage in Central and South America. The directional arrays are to be so designated and constructed that the radiated energy is within a desired angle and directed for adequate coverage of the foreign service area selected."

Regarding NBC's application, the Commission observed:

"The proposals of the National Broadcasting Company and the General Electric Company regarding programs are substantially alike, in that each contemplates, for the most part, the use of regular chain material of the National Broadcasting Company. Consequently, if the applications of the General Electric Company and the National Broadcasting Company were granted, in part, and authority given to each to use a portion of these facilities, there would be the possibility of a duplication of the general type of program service in the foreign countries reached by the signals of their respective stations.

"Since the program of experimentation and research which has been and will be conducted by the General Electric Company is more meritorious than that of the National Broadcasting Company, and in view of the fact that its station (W2XAD) will render more substantial broadcast service by virtue of operations with power of 100 kw., it would follow that the General Electric Company is fitted to provide the service in question in a higher degree. Moreover, the General Electric Company requests only two of the four frequencies involved in this proceeding for a definite purpose, based on the results of actual engineering surveys."

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SENATE PRINTS RADIO LAW ARTICLES

Upon motion of Senator Bone (D.), of Washington, the Senate this week ordered printed as a Senate document, articles written by Andrew G. Haley, senior counsel of the Federal Communications Commission, on legal phases of broadcasting. They were published originally in the January issue of the George Washington Law Review. The Senate reprints may be purchased from the Government Printing Office.

In making the motion, Senator Bone said:

"They relate to the broadcasting of radio programs in the public interest, convenience, and necessity, and also cover the general question of libel on the radio. I think the articles will be intensely interesting to every Member of the Senate and probably to 99 percent of the lawyers of the country. They are well documented and thoroughly annotated."

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NEW NAVAL RADIO STATION READY BY SUMMER

The new naval radio communications station which is under construction about 15 miles outside Washington at Camp Springs, Md., will be ready for operation next Summer, Commdr. W. J. Ruble, of Naval Communications Division, told a House Committee this week.

Testifying in opposition to a plan to build a national airport at Camp Springs, Commander Ruble said that the flying field would seriously interfere with the radio station and would thereby hamper national defense plans.

The Navy has purchased 559 acres of land, completed construction of most of the permanent buildings and moved in part of its personnel, it was testified. By the middle of the Summer the Navy investment will total $1,000,000 and the station will be practically ready for operation, Commander Ruble told the Committee.

"We have waited years to put into operation the world-wide receiving facilities now being completed at Cheltenham", Commander Ruble said. "Now that we have the station just about at the point of completion it is just inconceivable to me that an airport should be permitted to come in and destroy all this work and wipe out an investment of $1,000,000, especially in view of the urgent need of the station as a matter of national defense."

The 600-foot radio towers at Arlington, Va., probably will be removed as soon as additional facilities have been completed at the Navy transmitting station at Annapolis, Md., Commander Ruble testified. Congress has been asked for funds for installation of the substitute transmitting equipment at the Annapolis station.

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ENGINEER CITES POTENTIALITY OF "PIPED WAVES"

Communications channels more extensive than those of radio and wires may be opened by the development of "piped" electro-magnetic waves, according to George C. Southworth, research engineer of the Bell Telephone Laboratories.

Speaking this week at a meeting of the Institute of Radio Engineers in New York City, Mr. Southworth demonstrated the transmission of the waves, which he said may be carried through rubber or metal tubes at a faster speed than light travels.

Investigators are finding, he said, that, paradoxically, as shorter and shorter guided waves are produced, the methods of controlling them proves easier. Mr. Southworth's lecture was reported at length by the New York Times.

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CBS NET EARNINGS $4,297,600 FOR 1937

Net earnings of Columbia Broadcasting System, Inc., for 1937 were estimated at approximately $4,297,600, according to a notice sent to stockholders this week by Frank R. White, CBS treasurer.

The report is subject to an audit now being made and represents a jump in revenue of more than a half million dollars over the previous year's business, which was $3,755,500.

The $4,297,600 figure is equivalent to $2.52 per share ofCBS stock. Last year's $3,755,500 was equivalent to $2.20 per share.

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CRAVEN TURNS DOWN OPPORTUNITY TO GO TO CAIRO

Although he is admittedly the best informed member of the Federal Communications Commission on the technical aspects of radio, Commissioner T.A.M. Craven will not go to the International Telecommunications Conference at Cairo unless serious complications develop.

Commander Craven was not appointed a delegate by the President, but the understanding was that he might join the delegation later after he had submitted the economic report on broadcasting.

The reason for the change in plans, it is understood, is that the FCC expects to promulgate new rules and regulations and study the reallocation proposed by its Engineering Department. As Commander Craven drafted the report, his presence is held essential if any shake-up is to be ordered in the near future.

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AUSTRIAN S-W STATION TO BROADCAST TO U. S.

The Austrian radio broadcasting company "RAVAG" has decided to construct a 50 kilowatt short-wave transmitter in the Spring of 1938, according to the American Commercial Attache at Vienna. At present the plans for this transmitter are being examined but no decision has yet been made with regard to its location.

The antennae will consist of one circular aerial on an iron tower 60-70 meters high, to which will be added at a later date four directional aerials, one pair of which will be directed via England to the United States and in the opposite direction toward the Orient, the other pair toward South America and eastern Asia.

The order will be placed with the firm of Czeija, Nissl & Co., XX Dresdner-strasse 75, Vienna, which represents the interests of an American firm.

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NAB SHAKE-UP HELD SURE AS CONVENTION NEARS

Complete reorganization of the National Association of Broadcasters appeared certain this week as broadcasters prepared for the largest convention of the trade organization ever held. The meeting will be at the Willard Hotel in Washington February 14-16th.

Leading broadcasters predicted that there will be little, if any, opposition to the plan proposed by the reorganization committee for employing a paid president and secretary-treasurer along with departmental directors.

A large variety of "big names" has been suggested for the post of president, but indications at present are that Philip G. Loucks, Washington attorney and counsel of the Reorganization Committee, will be retained at least temporarily as Acting President or an advisory counsel.

The NAB program will include addressed by Senator Wheeler (D.), of Montana, Commissioners Frank R. McNinch and T.A.M. Craven and Representative Barton (D.), of New York, who also is Chairman of the Board of Batton, Barton, Durstine & Osborn, Inc., New York advertising agency.

The reorganization plan proposes the abolition of the post of Managing Director, now held by James W. Baldwin, but would pay him his salary until June.

A New Board of Directors will be set up under the shake-up as the plan proposes to divide the country into seventeen districts, each of which would name a Director to serve for two years.

Under present plans the convention will be closed except to NAB members.

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The 300th anniversary of the Swedish settlement on the Delaware is to be celebrated next year both in Sweden and the United States. The Swedish Broadcasting Company is preparing a series of talks on Swedish colinization and emigration to America, and one of their reporters is touring this country with a recording van. He has visited the territory round the Great Lakes, where most of the Swedes live, collecting broadcasting material. The subsequent programs will give an interesting and vivid picture of the daily life of the two million Swedes now living in U.S.A.

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TRADE NOTES

Now on the high seas, bound for Australia, Mr. and Mrs. Wesley M. Angle sailed January 19th from Vancouver via the S.S."Niagara", to represent the Stromberg-Carlson Telephone Mfg. Co., of Rochester, N. Y., and Stromberg-Carlson Telephone Mfg. Co., of Canada, Ltd., of Toronto, Ontario, at the first World Radio Conference, to be held at Sydney.

Alleging the use of unfair methods of competition in the interstate sale of candy and other merchandise including radios, washing machines and electric razors, the Federal Trade Commission has issued complaints against two Chicago concerns, Fascination Candy Co., 1137 North Wood St., and Roy B. Davis, 1737 Howard St., trading as Great Lakes Novelty Co., and Great Lakes Radio & Novelty Co.

Five men, prominent not only in their own particular spheres, but for their familiarity with amateur radio activities in this country, have been named to the Board of Award for the Second William S. Paley Amateur Radio Award for outstanding performance in 1937 for research, technical development or operating achievement in this field. Members of the Board are Rear Admiral Cary T. Grayson, Chairman of the American Red Cross; The Honorable C. P. Edwards, Director of Radio, Canadian Department of Marine; Rear Admiral Russell Randolph Waesche, Commandant, United States Coast Guard; Dr. J. H. Dellinger, Chief of the Radio Section, U. S. Bureau of Standards, and Professor A. E. Kennelly, Professor Emeritus of Electrical Engineering at Harvard.

A new station at Charleston, W. Va., to be built by the Kanawha Valley Broadcasting Co. was recommended to the Federal Communications Commission this week by Examiner R. H. Hyde. The requested facilities are 1500 kc., 100 watts, unlimited time.

The total number of wireless licenses in Germany on January 1st is officially given as 9,087,454, an increase during December of 291,487. The number of free licenses is not mentioned. Belgium passed the 1,000,000 mark during December.

Denial of the application of John P. Harris, of Hutchinson, Kans., for a construction permit to use 710 kc. with 1 KW power, daytime, was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

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MAE WEST PROTESTS BOOST RADIO HOUR'S FOLLOWING

Despite the loud protests of churchmen and Congressmen and the rebuke administered to the National Broadcasting Company by the Federal Communications Commission because of the Mae West "Adam and Eve" skit in the Chase & Sanborn Hour, the radio listeners apparently liked it.

The radio audience of the Chase & Sanborn Hour, which features Charlie McCarthy, has grown since the incident, according to Variety, mouthpiece of the amusement industry.

"Chase & Sanborn's Sunday night hour on NBC zooms to an all-time C.A.B. popularity rating of 44.9 in the latest compilation of that copyrighted trade barometer", the periodical stated this week. "This is a jump of around 7 points since the Mae West-Don Ameche skit that caused all the uproar, censorship threats, apologies, spanking and headaches.

"Looks like the public is not concerned with the moral aspects of the much-vaunted case. Or that the front page and pulpit advertising compensated for all the difficulties by stimulating an audience perk-up.

"By the standards, and on the mathematical logic of C.A.B., figure of 44.9 means that about half the radio sets in the United States tune in on the Edgar Bergen-Charlie McCarthy gallop."

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JAPAN OPENS LARGEST ORIENTAL STATION

Becoming the most powerful radio station in the Orient, JOAK started broadcasting on 150 kilowatt power regularly the first of this year, with the completion of the two studios at Kawaguchi and Hatogaya, in Saitama prefecture, which were built for the purpose, according to the Japan Times and Mail, Tokyo.

JOAK had previously used only 10 kilowatt power, and its new broadcasting studios will enable more people to hear its programs with simpler receivers and less hum. As a result of the new system, fewer broadcasting stations will be needed in the country and it will become easier to hear Japanese programs in foreign countries, but reception of foreign programs will become difficult, the newspaper said.

"Building of powerful stations is now the fashion all over the world", it added. "The Soviet Union and the United States each have one of 500 kilowatt power, and Finland and Luxemburg each have one of 220 kilowatts."

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BROADCASTING ABROAD - POLAND

Broadcasting in Poland is under the control of Polskie Radio (The Polish Radio Co.) which is a Government-owned and operated enterprise, according to the U. S. Commerce Department. The broadcast programs, which still have room for improvement from an American standpoint, are supported by subscription fees paid by radio owners. At its beginning only 40 percent of Polskie Radio was owned by the Government but in 1935 this percentage was increased practically to the exclusion of private interest except for technical assistance purposes.

Poland has nine long-wave broadcasting stations at Lwow, Torun, Poznan, Wilno, Katowice, Crakow, Lodz and two at Warsaw, all operating in the middle wave band with one exception, ranging from 224 to 559.7 meters. The exception if SP1 of Warsaw or Warsawa I (Raszyn) on 1339 meters. There is only one short-wave broadcasting station in Poland, station SPW located at Crakow. All of the long-wave stations are owned and operated by Polskie Radio but the present short-wave station is owned by the "Ministry of Posts and Telegraphs. Polskie Radio is constructing its own short-wave station.

The "Research Bureau" of Polskie Radio advised that in 1936 there were at station Warsaw I a total of 16,832 different broadcasts extending over a total time of 4,512 hours and 2 minutes. Included in these totals were 4,300 music broadcasts extending over 2,438 hours, or 54.0 percent of the total time; 9,866 talks, 1,375 hours, 30.5 percent; 1,886 mixed broadcasts, 359 hours, 8.0 percent; 81 church services, 9 hours, 2 percent, 300 gymnastic broadcasts, 82 hours. 1.9 percent; and 409 advertising broadcasts, 169 hours, or 3.8 percent.

In the first half of 1937 there were at station Warsaw I a total of 2,018 music broadcasts extending over 1,174 hours, or 52.3 percent of the total time; 4,591 talks, divided, 869 brief talks, 239 literature talks and 3,483 news reports, extending over a total time of 590 hours, or 26.3 percent divided, 157 hours, or 7.0 percent for brief talks, 87 hours, or 3.9 percent, for literary talks and 346 hours, or 15.4 percent for news reports; 197 mixed broadcasts, 114 hours or 5.1 percent; 56 church sermons, 62 hours, 2.8 percent; 174 gymnastic broadcasts, 47 hours, 2.1 percent; 140 advertising broadcasts (up to April 1, 1937), 38 hours, 1.7 percent; and 924 broadcasts for special groups, 225 hours, 9.8 percent.

Advertising, which did not reach American standards, was interspersed between records in the recorded musical programs but on April 1, 1937, all commercial advertising over the radio was discontinued. In 1936 the income from advertising amounted to 555,359 zlotys, and up to April 1, 1937, 172,723 zlotys.

Slightly more than 20 percent of the broadcasting time of the most important Polish radio stations is devoted to the broadcasting of recorded music. Additional time is devoted to recorded talks but this time is not regular. Poland offers only a very small market for American made phonograph records.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1099

February 8, 1938.

UNIQUE MORMAN S-W STATION FAVORED IN FCC REPORT

An international short-wave station that will be unique, both in its programs and its engineering experiments, was recommended to the Federal Communications Commission this week in a report on the application of the Church of Jesus Christ of the Latter Day Saints, of Salt Lake City, Utah.

A missionary campaign that will be a far cry from the days when pioneer churchmen braved hostile and unknown wildernesses will be made possible by the allocation, if approved by the FCC.

The Morman Church is not a new or naive entry into the field of radio broadcasting as it has for several years operated KSL, a long-wave outlet, at Salt Lake City.

The applicant proposes to build a short-wave station near Salt Lake City and to transmit programs throughout the world by means of a 5-beam rhombic type directional antenna. The requested waves are 6020, 9510, 11710, 15170, and 25675 kc.; the proposed power is 50 KW.

While the church states that its programs will not be entirely religious in character, the Examiner, Melvin H. Dalberg, observes in the report:

"It is contended that the motives upon which this application is predicated are a desire to improve universal economic conditions and to encourage peace and goodwill among all of the inhabitants of the world without regard to race, creed, or color."

Explaining further the plans of the church for an international station, the report states:

"The applicant plans to summon men who are representing the Church from various parts of the world to assist in the preparation of programs for the proposed station. It is intended to make a survey as to the type of programs must suitable. The tentative broadcasts, which were offered in evidence by the applicant, include musical, dramatic, and cultural features, public events, talks pertaining to peace and special subjects of historical and educational interest. It is planned that representatives of the universities and colleges in the area of Utah are to be utilized in supervising the educational programs proposed.

"It is the custom of the church to send annually approximately 1,000 of its members into foreign fields. These men are, for the most part, college graduates and are to be trained in the

construction, installation and operation of high-powered short wave receivers and, in each instance, will be equipped with the same type of apparatus. Standard forms will be supplied to them and regular reports thereon will be required from these observers at regular intervals. These reports are expected to indicate the results of the broadcasts over the various frequencies involved and the strength and quality of signals, fading or interference during the day and night.

"For the purpose of determining the quality of the signal of the requested facilities throughout the world, at various times of the day and night and at different seasons of the year, the applicant plans to arrange for what it terms 'listening posts' in England, France, Switzerland, Germany, Czechoslovakia, Austria, Denmark, Sweden, Norway, and the Near East, South Africa, China, Japan, Australia, New Zealand, Society Islands, Tongan Islands, Samoa, Hawaii, Argentina, Brazil, Mexico, Virgin Islands, Alaska, Canada, and the United States of America. These so-called 'listening posts' are proposed to be manned by American citizens who speak the language of the country to which they are respectively assigned. It is the intention of the applicant to establish a total of 860 of these locations, utilizing 1,905 observers."

Regarding the engineering experiments contemplated, the Examiner said:

"Among other engineering proposals, the applicant intends to construct a 5-beam rhombic type directional antenna. It is the purpose of the applicant to attempt to surmount the difficulties imposed by magnetic disturbances in the north magnetic polar region. It is intended with this end in view to build antennas of high gain over a small angle and to so orient them with respect to the location of world centers of population as to give the most effective possible listener coverage. It was stated by the applicant's engineer that the use of this 5-beam antenna will increase the power of the station, depending upon the frequency and width of the beam as much as 20 decibles, which is in effect an increase of 100 times the ordinary power of the station. Under this arrangement, according to applicant's engineer, it will be possible to use any of the frequencies applied for on any one of the five beams of the antenna.

"It is also proposed that a directional system be constructed consisting of nine vertical antennas arranged in a square with three-quarters of a wave length space between each of the units. The purpose of this will be to change the directivity in the vertical plane as well as in the horizontal plane. It was contended that with this type of antenna the beam would equal a power increase of ten times 500 kw.

"According to the proof, inasmuch as Salt Lake City is located in a flat basin, 4,200 feet above sea level, the operation of the proposed station will permit experimentation under condi-

tions uniquely different from any other international station now existing in the United States.

"Because a half-wave antenna used for international purposes is only 20 feet in height, the cost of half-wave radiators for this type of service is not comparable with the cost of a half-wave antenna used ordinarily by broadcast stations.

"It is stressed that the experiments proposed by the applicant, with reference to changing the directivity of the antenna in the vertical as well as in the horizontal planes, are not now being conducted by any other international station in this country. The use of this type of antenna, according to the proof, would enable the proposed station to serve Canada, Europe, North Africa, Asia Minor, Bermuda, South Africa, Mexico, Central America, South America, the South Pacific Islands, New Zealand, South Sea Islands, Australia, New Guinea, the Orient, East Indies, Western Russia, and India. The use of the proposed nine-unit antenna will permit the sending of eight beams to all parts of the world and, it was predicted, would be flexible enough to throw a beam in any direction. Experiments are also to be made in modulation characteristics most suitable for international service."

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SENATORS URGE GOVERNMENT PAN AMERICAN STATION

Despite the temporary allocation of the Pan American short-wave frequencies to privately-owned international stations last week, a new bill has been introduced in the Senate to establish a Government-owned Pan American station. Senators McAdoo (D.), of California, and Chavez (D.), of New Mexico, sponsored the measure, which proposes that the station be located in the vicinity of San Diego, California.

Similar but not identical to the Celler Bill which has been lying dormant before the House Naval Affairs Committee for more than a year, the McAdoo-Chevez bill would place the station under direction of the Secretary of the Navy.

The measure does not specifically designate the Pan American frequencies, set aside six years ago for the purpose, but states that the Federal Communications Commission shall allocate the short-waves.

The aim of the station shall be "to promote friendly relations among the United States and other nations of the Western Hemisphere." The State Department will formulate the programs with this purpose in mind. An original appropriation of $3,000,000 and an annual outlay of $100,000 is authorized by the bill.

An Advisory Council is set up to determine questions of policy for the station's operation. It would comprise the Secretary of State, the Chairman of the FCC, the Secretary of Commerce, and two other offices of the United States to be selected by the President.

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GROWTH OF RADIO CITED IN NEW YEARBOOK

There were exactly 691 radio broadcasting stations in operation in the United States and its possessions as of January 1, 1938, with 25 more authorized for construction but not yet in operation, according to the 1938 Yearbook Edition of Broadcasting Magazine, trade journal of the broadcasting industry, released to its subscribers February 7th. Canada has 81 stations, according to the Yearbook, which in addition to listing the executive personnel, wave lengths and powers of all U. S. and Canadian stations, carries a complete log of all long and short wave broadcasting stations in the world.

The Federal Communications Commission, the Yearbook shows, authorized 37 new stations, chiefly local low power outlets, during 1937 as compared with 57 during 1936. Despite discussion of possible administration action dealing with newspaper ownership of stations, many of those newly authorized are owned in whole or part by publishing interests. The Yearbook, listing exact stock ownership, shows that 211 stations in the United States and Hawaii and 21 in Canada have newspaper interests identified with their ownership, while 17 other stations are under option to be sold to newspaper interests awaiting FCC approval.

Illustrating the growth of radio as a news disseminating medium, the Broadcasting Yearbook shows that 493 stations in the United States and 17 in Canada subscribe to the major press associations selling their services to radio - namely, International News Service, Transradio Press and United Press.

That various phases of radio other than engineering are taking a prominent part in the curricula of U. S. and Canadian colleges and universities, is indicated by a directory showing 250 such schools offering courses in radio speech, radio writing, radio dramatics, program production, television, etc. This was practically an untouched field years ago.

The Broadcasting Yearbook estimates that gross time sales of the broadcasting industry during 1937 amounted to approximately $140,000,000, an increase of 19% over 1936. The major networks -- NBC-Red, NBC-Blue, CBS and Mutual -- together accounted for nearly $69,000,000 of this total.

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Contracts have been placed for the provision of two further high-power short-wave transmitters at the BBC Empire Station at Daventry and for the necessary plant and auxiliary equipment. An extension to the building to house the new transmitters is already in hand. These developments at Daventry are in connection with the foreign language broadcasts.

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IT ISN'T TELEVISION, CHARLEY!

In the Zenith broadcast last Sunday night, the guesses of several persons were given as to what the new Zenith product, soon to be announced and about which there is so much conjecture, is to be. Charles J. Gilchrest, the usually very well-informed Radio Editor of the Chicago Daily News, was quoted as saying that he believed it was going to be a television set. Mr. Gilchrest's guess, which is timely, might well be based on the fact that Commander McDonald has applied for a television license and has for years been working on television in his laboratory. Nevertheless, it can be said positively that the new Zenith product will not be a television set and will have nothing to do with television. Commander McDonald has been foremost in the ranks of those fighting the premature introduction of television. Neither will the new Zenith device be a machine to cook by radio as someone else suggested Sunday night. Still another guess, widely missing the mark, was that the new product will be a facsimile writing device.

As the mystery of "What Is It?" increases, Commander McDonald is now on a month's cruise on his seagoing yacht "Mispah" in the Caribbean Sea. In order to get the yacht, which is 185 feet long and carries a crew of 24, from Chicago to Florida, it was necessary to take her through the St. Lawrence to Boston and then down the coast. Mr. McDonald, who sailed from Miami last Saturday noon, gave his friends back home quite a thrill by telephoning them from the "Mizpah" as it plowed its way towards Cuba. The yacht has a powerful new radio set similar to that in use on the ocean liners. The conversation was transmitted to Miami and thence by land telephone lines to various parts of the United States.

Among those in the party on the "Mizpah" with Commander McDonald are Mrs. McDonald, their young daughter, Miss Marianne Jean McDonald, Eugene McDonald Kinney, a nephew, of Buffalo, N. Y., and Mr. Irving Herriott, of Chicago.

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SENATOR HERRING URGES RADIO REVIEW BOARD

A Federal Board of Review, which would censor radio programs before they are broadcast was proposed this week by Senator Herring (D.), of Iowa, proposed as a step toward "cleaning up the air". Stations would submit scripts "voluntarily" under the proposal. The Iowan said there "isn't a broadcaster in the country who wouldn't be glad to submit his program, before delivery", to such a Board.

Senator Herring is drafting legislation to set up the review board within the Federal Communications Commission

George Porter, FCC counsel, is assisting him. Appointed by the President, the Board would report its conclusions to the Communications Commission which, Senator Herring said, already has authority to suspend the license of a station for use of obscene, indecent or profane language.

Radio stations would be prohibited under his proposal from using their facilities for material "contrary to public interest, convenience or necessity."

He called his proposal a means of "locking the door to harmful programs before they are given, not afterward."

Senator Herring first expressed determination to "clean up broadcasting" at the time the FCC began an inquiry into a program featuring Mae West, but he said his action was not prompted by that incident.

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HUGE "TUBE" TO SHOW RADIO ART AT N. Y. FAIR

The latest developments in the radio art, displayed in panoramic fashion, will constitute an exhibit at the New York City World's Fair, according to a joint announcement this week by David Sarnoff, President of the Radio Corporation of America, and Grover A. Whalen, President of the Fair Corporation.

The display to be housed in a building designed to appear from the air like a huge radio tube, will embrace all the products of R.C.A. Communications, the Radiomarine Corporation of America, the Radio Institutes and the National Broadcasting Company,

Experimental television programs will be staged and there will be animated demonstrations of some of the principal RCA services. Visitors will have an opportunity to see the latest radio receiving sets and tubes in the actual process of construction.

The announcement said the exhibit building, viewed from the air, will be "shaped somewhat like a huge radio tube 136 feet in length, resting on a broad base 190 feet wide." It will be a two-story structure, the entire front of which will be of glass. An outdoor display space will be provided in a garden of trees and fountains at the rear.

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CRITICAL AUDIENCE BEST CENSOR, CRAVEN SAYS

A critical radio audience is the best assurance of continuously improving radio programs, Commander T.A.M. Craven, of the Federal Communications Commission, asserted Saturday night in an address over the CBS network on his recent economic report on broadcasting.

"Broadcasters and sponsors will not, and under a competitive system they cannot, long tolerate a type of program that does not win public acceptance", he said.

"And for my part, I would prefer to entrust this progressive improvement to the collective judgment of the great mass of radio listeners rather than undertake to authorize any governmental agency to lay down fixed and rigid requirements of program content.

"The function of government, in addition to policing the channels of the air and assuring a fair allocation system, is to make certain that real competition does exist in broadcasting.

"Unquestionably there is ample opportunity for the improvement of radio programs", he continued. "The acceptability by the public of advertising content and continuity is a problem which needs constant study both by the industry and the government regulatory body. Progressive broadcasters already have recognized the advantages of limiting advertising content as to time and writing sales messages in a manner which brings results to the advertiser without offending the listener. All broadcasters would do well to emulate such standards. While it is a fact that advertisers render the vast majority of the financial support to radio broadcast stations, it is also a fact that broadcast station licensees have the responsibility of rendering a service which is acceptable to the public. In other words, as was emphasized in our report, the stations are not licensed by the United States Government for the sole benefit of advertisers, and if the latter are to secure the best return from the use of radio, it would appear essential that they, as well as the station licensees, recognize the advantages of the good will of the public in sustaining interest in radio.

"Leaders in the industry recognize that broadcasting is a dynamic, changing art. They are making continuous efforts to develop new and improved techniques in presenting more interesting programs and in discovering even greater usefulness of the medium of radio. With the cooperation of government agencies as well as private institutions, intelligent research into radio as an educational medium is being intensively pursued. Such efforts constitute a wholesome symbol that these broadcasters realize their responsibilities as trustees of a valuable public franchise. And I believe that it is the function of broadcasters,

with the help and advice of government, to pioneer the new and undeveloped potentialities of the use of radio as an instrument of public benefit even as they have blazed the trail in its scientific and physical development. Our consideration of the role of government in the field of determining what broadcasting should do about its programs led us to the inescapable conclusion that progress could be better served and - yes, democracy itself made more secure - by encouraging the industry to produce and develop higher program standards. Such a policy should not lull individual broadcasters into a sense of false security. Theirs is a positive duty in rendering an increasingly better program service. The regulatory authority does not recognize any rights of its licensee to use his facilities in any manner he sees fit. In addition to the specific provisions in the Act concerning equal treatment of rival political candidates, there is the general standard that the licensee must serve the public interest, convenience and necessity. Failure of a broadcaster to meet this standard means that he has breached the trust reposed in him by the public through the Government in granting him the use of a valuable facility of mass communication. Such a breach justifies the Commission in refusing to renew the license and awarding the facility to another who will meet in specific detail the general provisions of that broad standard.

"Included in our analysis in the report was a complete survey of ownership of radio stations, the physical service available in types of communities, the question of superpower stations, certain suggested technical improvements and other economic phases of the industry.

"However, one important phase to which I would make specific reference concerns networks. Much criticism has been directed at the network system, and while there is a need for improvement, it was our conclusion that networks perform a sound and essential method of program distribution in our broadcast structure. The four coast to coast networks and the 24 regional networks have developed an organization of facilities for mass communication as well as program sources and technique that are indispensable. Here again progress will best be served by encouraging the operation of competitive factors rather than by undertaking a radical departure from what already has been achieved.

Lately, there has been a great deal of comment about broadcasting. Much of this is the result of misinformation. There have been charges of 'monopoly', 'favoritism' and abuse of public trust. It was not the purpose of the report which I have been discussing to attempt to answer any of these charges. Rather, it was our intent to organize, in an objective manner, available data as a guide in formulating conclusions. Much of our information is admittedly inadequate. We have suggested methods of making it more complete. This much we have learned -

there is no dogmatic formula upon which to build intelligent progress. If we may have caused a better understanding by the industry of its shortcomings, and created an appreciation by the people of some of the problems to be met, our efforts will have been worthwhile."

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FCC FINDS FLOOD REMOVED EVIDENCE OF INTERFERENCE

The Federal Communications Commission in solemn fashion last week found that the question of whether or not an amateur radio station in Norfolk, Va., actually caused interference to a neighborhood receiver was moot because a flood had destroyed the "ham" set in the Summer of 1936.

The FCC was acting on a petition filed by J.A.D. Parrish, of Norfolk, who complained that "key thumps" or "key clicks" were disturbing his reception and that the amateur stion, W3ADD, operated by Dr. A. D. Dudley, was to blame.

While admitting the possibility of the interference, the FCC notes that one of the complainant's receivers is obsolete and the other only "reasonably modern". It then disposes of the complaint with the following observation:

"However, it appears to be established from the record that Station W3ADD had not been operated for some time prior to the hearing, and could not have been operated, due to the equipment having been ruined by water at the time of the Norfolk flood in the Summer of 1936. Nevertheless, petitioner continued to receive some type of interference from unknown sources."

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Through the cooperation of listeners, more than half the total of 1,213 S O S and Police messages broadcast from all BBC Home transmitters during 1937 were successful; the percentage was actually 50.79. The biggest of the four general sections into which these broadcasts are divided was again that for relatives of persons dangerously ill, and of the 823 broadcasts of this kind, 472 (or 57.36 per cent) are known to have been successful; the result of 66 of these S O S's it has not been possible to ascertain. The significance of so large a proportion of successes is emphasized by the fact that these broadcasts are made only when all other means of communication have failed.

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TRADE NOTES

The story of how Frank Conrad, of Westinghouse, became interested in and aided in the development of radio, is told in a review of the Westinghouse Electric Company in the February issue of Fortune.

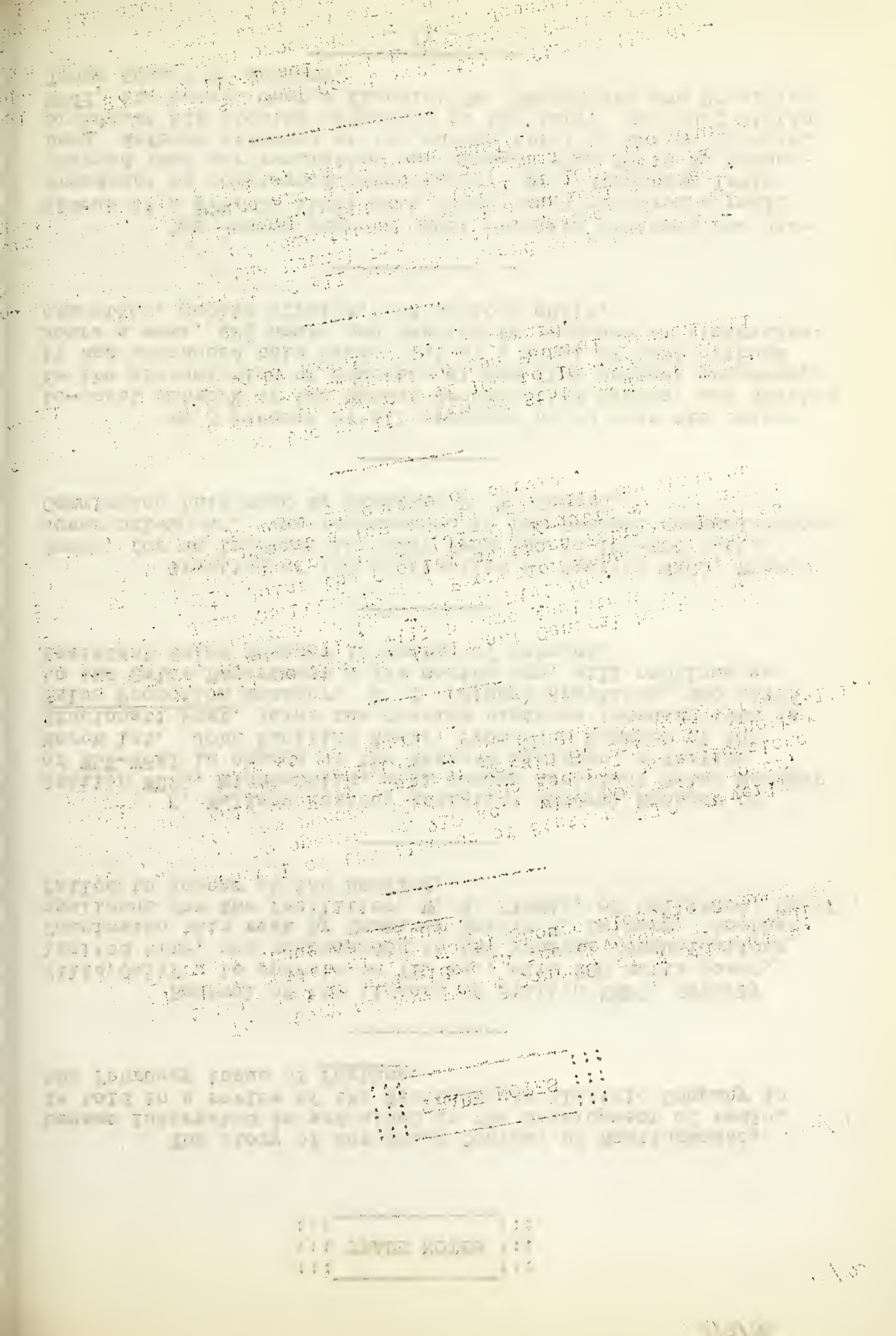
Renewal of the license of Station KMPC, Beverly Hills, Calif., to operate on 710 kc., with 500 watts power, limited time, was recommended to the Federal Communications Commission this week by Examiner Melvin H. Dalberg. Another applicant for the facilities, W. H. Kindig, of Hollywood, Calif., failed to appear at the hearing.

K. Wallace Husted, Assistant General Manager of Station WCCO, Minneapolis, will become Assistant Sales Manager of WLW-WSAI in charge of the Western Division, effective March 1st. John Kuelling Koepf, Promotion Manager of the Cincinnati Post, joins the Crosley stations February 14th as Sales Promotion Manager. E. C. (Jimmy) Krautters, who moved to the Sales Department a few months ago, will continue as Assistant Sales Manager in charge of service.

Granting of the application of Station WACO, Waco, Texas, for an increase in power from 100 to 100-250 watts power onl420 kc., was recommended to the Federal Communications Commission this week by Examiner P. W. Seward.

22.3 percent of all programs heard over the coast-to-coast network of the Mutual Broadcasting System, are devoted to the presentation of educational and fine musical programs, it was announced this week. Out of a total of 102¼ network hours a week, 22¾ hours are devoted to programs on literature, education, public affairs, and serious music.

The Oregon Supreme Court recently affirmed the dismissal of a $75,000 libel suit which developed from a radio broadcast of court-room proceedings. Mrs. Josephine Irwin charged that her reputation was damaged when David R. Vandenberg, defense attorney at the murder trial of Marion Meyerle, broadcast his closing arguments to the jury. She sued Station KFJI, its owner, George Kincaid; Mr. Vandenberg and Presiding Judge Edward B. Ashurst.



Denial of the application of the Pacific Radio Corporation, of Grants Pass, Ore., for a construction permit to use 1320 kc. with 500 watts power, daytime, was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

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BRITISH TO LET PUBLIC TRY WIRED RADIO

The British Post Office is preparing to introduce a public experimental wire-broadcast program at Southampton during 1938, according to a consular report to the U. S. Commerce Department. This service will be undertaken as a part of the practical experimental work in wire distribution of broadcast programs, with which the Post Office was charged by the Government's Committee on Broadcasting in 1935.

In addition to the main public service distributed by means of a special wire network, a limited experiment will be made in the distribution of broadcast programs over the telephone wires; subscribers will have a choice of several broadcast programs.

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YEAR BOOK LISTS RADIO EDITORS, STATIONS

The 1938 International Year Book just issued by Editor & Publisher reports gains in newspaper circulation over the country and lists considerable radio data.

All radio stations and radio editors of both the United States and Canadian papers are listed along with books on radio and the press.

Circulation gains for week-days, the Year Book reported, were from 35,175,238 per day, morning and evening, at the clost of 1933, to 40,292,266 for 1936, and 41,418,730 for 1937. Sunday circulation rose from 24,040,630 in 1933 to 30,956,916 in 1937.

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HEINL RADIO BUSINESS LETTER

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BALDWIN REPORT FORESHADOWS ROW AT NAB MEET

A bitter inter-organization fight over the proposed NAB reorganization was foreshadowed this week as a highly critical report by the retiring Managing Director, James W. Baldwin, was circulated privately among members.

While marked with a release date of next Monday, when the convention opens in Washington, the Baldwin report was published in part in trade papers and immediately stirred up a hornets' nest within the broadcasting industry.

Meanwhile, other obstacles to immediate reorganization of the National Association of Broadcasters loomed because of the lack of funds to put the expansive administration in operation. Indications are that even though the plan is approved, it will be some months before it is on a working basis.

Though the name of Philip G. Loucks, Washington attorney and counsel for the Reorganization Committee, continued in the lead as the most likely choice as temporary head of the organization, broadcasters and politicians alike were interested in a report that Marvin McIntyre, one of President Roosevelt's secretaries, might be named President of the NAB.

Mr. Baldwin in his final report not only assailed the Loucks report as impractical and cumbersome, but he turned his guns on the networks as well and charged them with imposing on independent broadcasters in the recent musician negotiations. He likewise asserted that the North American treaty drafted at the Inter-American Conference in Havana threatened the independents with further domination by the networks.

Finally, he criticized the general run of NAB members for their failure to adopt self-censorship of radio programs to forestall stringent FCC regulation and for their refusal to support the Federal Radio Education Committee and the NAB Copyright Bureau.

Proposing that a Board of Review be set up to examine network programs before they are broadcast, Mr. Baldwin chided the broadcasters for allowing the advertising agencies to gain control of program policies.

"Through the fault of no particular person", he said, "the large advertising agencies have more and more been allowed to assume control over the hiring of talent, preparation of script, and rehearsal of radio shows.

"These agencies have isolated the network companies to too great a degree to mere vehicles through which the programs are presented to the American people. This is a dangerous trend because it amounts to a delegation of authority and responsibility which in the final analysis can attach only to the licensees of the broadcasting stations."

Citing the responsibility that goes with possession of a station license, Mr. Baldwin said:

"My belief is that the failure by the broadcasters to accept their full responsibility in this matter will be ample justification for the Federal Communications Commission to adopt regulations governing this subject."

Mr. Baldwin's chief criticism of the North American agreement was that it opens the door for the creation of super-power outlets, which, he charges, would be controlled by the two major networks - NBC and CBS.

Citing an engineering study by Jansky & Bailey, the report asserts that the treaty would make possible the licensing of nine NBC and four CBS 500 KW stations.

"I hold that herein lies one of the greatest dangers that has ever faced the American broadcasters", Mr. Baldwin added. "The possibilities of a monopoly in broadcasting by the NBC and CBS are obvious."

Reviewing the prolonged negotiations with the American Federation of Musicians, Mr. Baldwin charged that the independent stations were led into accepting heavy operating expenses by the networks.

"Through the means of negotiations restricted primarily to a certain class of stations (a class of stations that enjoys the best economic position in the industry) an agreement has been reached whereby minimum expenditures for musicians are imposed upon all stations participating in the negotiations", the report said.

"The stations participating in these negotiations are affilated with the national networks. The number of musicians to be employed is determined by one group of men and the wages and working conditions of the musicians are determined by another group of men. The stations are denied the right to submit their disputes for arbitration. . .

"It has always been understood that the same demands which have been made upon the network affiliated broadcasting stations are to be made upon all stations in the industry. It is obvious that any part of an industry that has the economic power to establish labor standards for that industry as a whole has the power to destroy its competition."

As an alternative to the Loucks plan for reorganization, Mr. Baldwin suggested a National Federation of Group Organizations representing the varied conflicting interests, such as networks, clear channel stations, locals, regionals, etc.

If the NAB attempts to broaden its field of enterprise, he said, it will get on dangerous ground because of the rival economic interests and must either take sides or be ineffectively neutral.

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CANADIAN OFFICIAL DEFENDS U. S. PROGRAMS

A proposal by private Canadian broadcasting companies that the publicly-owned Canadian Broadcasting Corporation be displaced by an independent nation-wide radio network, with license fees reduced from $2.50 to $1 a year, was countered by a government statement in Parliament this week that the C.B.C. was being attacked "not because it is a failure, but because it is a success", according to an Ottawa correspondent of the New York Times.

C. D. Howe, Minister of Communications, defended not only the Canadian Broadcasting Corporation against the charge that it was using too many United States programs, but also the American programs themselves. Of ninety-eight hours in a week of C.B.C. chain broadcasting, he said, only eight and three-quarter hours of paid American advertising was carried.

He admitted that seventeen and one-half hours of sustaining programs from the United States were used, but upheld these on the ground that the opera and symphony concerts, which formed a prominent feature of them, were broadcasts of music international in character.

Canadians, he said, should be grateful that Toscanini concerts, for which the NBC paid their conductor $40,000, should be made available for them at such low cost.

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HOME TOWN WOULD NAME STATION AFTER WILE

As an honor to Frederic William Wile, veteran political radio commentator and Washington correspondent, applicants for a radio station permit in his home town, La Porte, Ind., have requested permission to use WILE.

Formal application for a license to establish a 250-watt broadcasting station with a frequency of 1,420 kilocycles for daytime operation already has been approved by one of the Commission's Examiners. Approval by the Commission sitting as a final court of review now is necessary. Pending the decision, Gerald A. Travis, license applicant, has been notified that if and when the application is granted, the letters WILE will officially designate the station.

Such a designation is rare. Station WEVD, in New York City, is a memorial to the late Eugene V. Debs, Socialist leader, who was also from Indiana. The call letters of the station include only the initials of Mr. Debs (EVD), whereas the proposed call letters of the La Porte station spell out Mr. Wile's name.

Mr. Wile's radio career began in August, 1923, when Calvin Coolidge became President. With the National Broadcasting Co. at that time, Mr. Wile became associated with the Columbia Broadcasting System six years later and has remained on the CBS staff since that time.

The veteran political commentator, student and honorary LL.D. of Notre Dame, entered newspaper work 40 years ago.

When President Coolidge was inaugurated on March 4, 1925, Mr. Wile became the first private citizen ever permitted to talk from the inaugural stand, giving a historical review of the presidency and a description of the inaugural scene.

Mr. Wile's varied career took him to London in 1930, where he broadcast periodical news summaries of the International Naval Conference by trans-Atlantic radio and introduced prominent delegates, including Secretary of State Stimson and Secretary of the Navy Adams.

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FCC AUTHORIZES STATION AT U.S.-MEXICAN BORDER

A construction permit was issued this week by the Federal Communications Commission for the erection of a broadcasting station just across the border from one of Mexico's famed high-powered outlets catering to American audiences.

The FCC granted the permit to Mervel M. Valentine, of Laredo, Texas, which is just across the border from Neuvo Laredo, Mexico, where Norman Baker's XENT is located. It is not far, moreover, from the two stations of Dr. John R. Brinkley, notorious "goat gland specialist", who operates XERA at Villa Acuna and XEAW at Reynosa.

The American station, which will broadcast on 1500 kc. will use only 100 watts power, however, so will scarcely be effective in disturbing the high-power Mexican stations.

The Commission, in awarding the permit, suggested that the station will have an audience in the Mexican territory as well as in Texas.

"According to the 1930 United States Census, the population of Laredo, Texas, was 32,618", the report states. "It is estimated that since 1930 there has been an increase in population of approximately 5,000; that in Neuvo Laredo, Mexico, which is across the river, there are approximately 37,000 more inhabitants and that approximately 70,000 persons reside within a radius of 8 miles of the proposed location of the station's antenna. The only broadcast service available in this area from a station located in the United States is that of WOAI, San Antonio, Texas, 140 miles distant. The signal of WOAI is not sufficient to render primary service in residential areas of Laredo."

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BRITISH PLAN TO COUNTERACT S-W PROPAGANDA

Great Britain is speeding preparations for broadcasts soon to South America to combat Italian and German propaganda in that field, which it is feared is hurting British prestige and trade, according to a London correspondent of the New York Times. It is reported the government will discuss plans for counteracting German and Italian activities in South America in Parliament next week.

It is possible the discussion will reveal points contained in the report by Felix Greene, the British Broadcasting Corporation's representative in New York, who made a survey of the South American situation. This report was said to be behind the move to start broadcasts as soon as possible.

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GALLUP FINDS LISTENERS OPPOSED TO U. S. CENSORSHIP

The majority of radio listeners are opposed to any sort of Federal censorship of programs, regardless of the Mae West incident or any other slips, according to the findings of Dr. George Gallup, Director of the American Institute of Public Opinion, who this week announced the results of a cross-section survey.

The complete report of Dr. Gallup, as published in various newspapers, follows:

"With Senator Herring of Iowa now preparing a bill on stricter control of radio broadcasts, a Nation-wide survey by the American Institute of Public Opinion shows that Government censorship of programs is opposed by a majority of radio owners.

"A movement toward Federal censorship was started among Congressmen after the National Broadcasting Co. was severely criticized by the Federal Communications Commission last month for permitting a broadcast by Mae West which the Commission thought 'vulgar'.

"The Institute survey found that 59 per cent of radio owners feel Government censorship of programs would be harmful, while 41 per cent think it would do good. Applied against the 24,500,000 estimated radio owners, the poll indicates that 14,500,000 prefer to have no Federal censorship, while 10,000,000 favor it.

"The question put to a representative cross-section of radio owners in the survey was: 'Do you think Government censorship of the radio would do harm or good?'

"The Commission put teeth into its rebuke of the National Broadcasting Co. by warning that the Mae West affair would be taken into consideration when licenses of the stations broadcasting the program come up for renewal. 'Of all means of entertainment', declared the Commission's Chairman, Frank R. McNinch, in a press interview, 'I believe radio must have the highest standard.'

"To determine whether radio listeners are satisfied with the moral standards of radio programs, the Institute survey asked:

"'During the past year have you heard any broadcast that has offended you by its vulgarity?'

"An overwhelming majority replied in the negative. Only 15 per cent said they had been offended, while 85 percent said they had not.

"At present, radio broadcasters operate under a system of self-imposed censorship, with each station or chain exercising editorial veto power over programs submitted to them. The Federal Communications Commission, while it controls station licenses, does not attempt to censor programs in advance of broadcast.

"Apparently satisfied with the present system, the majority of voters in the survey give several reasons for opposing Federal control over broadcasts. The main objection, judging by comments from voters, is that direct Federal censorship would be a dictatorial usurpation of power which would soon lead to censorship of other media besides radio.

"Impairment of free speech is given as another reason. 'Censorship would be used as a political expedient', declared one voter. 'Whichever party was in power would choke off the opposition party for its own advantage.'

"Many others declared that both public opinion and the broadcasting companies themselves were now exercising a sufficiently effective censorship.

"Those who, on the other hand, favor greater control by the Federal Government declare that better programs might result. 'It would eliminate misleading advertising', said one typical voter. Vulgarity of programs was not mentioned as a leading reason by those who favor censorship.

"An analysis of the vote by income groups shows that Federal censorship is particularly opposed by radio owners in the upper levels, whereas those of below average income are divided about evenly. In the average and above average group, 64 per cent say censorship would do harm, and 36 per cent say it would do good. Among radio owners of below average income the vote is 51 per cent against censorship, 49 per cent in favor."

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U. S. RADIO EXPORTS FOR 1937 HIT NEW HIGH

For the fourth consecutive year, American radio exports in 1937 reached a new peak, with an increase of 14.4 percent over 1936 exports, according to a compilation by the Radio Manufacturers' Association. Total 1937 exports were $32,357,417, compared with $28,284,251 in 1936, $25,454,188 in 1935, and $24,856,592 in 1934.

Radio parts and accessories accounted for the larger portion of the increased exports in 1937. In dollar volume there was an increase of 34.9 percent in parts and accessory exports; 25.7 percent increase in loud speakers; 15.7 percent in tubes; 1.9 percent in receiving sets, and 47.6 percent in transmitting apparatus. While the larger portion of exports occurred during the last half of 1937, previous percentages of increase were not maintained.

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FOUR POINT SHORT-WAVE PLAN SUGGESTED FOR CAIRO

A four-point plan for easing the international congestion in the short-wave broadcasting band was set forth in a recent article by Dr. Arno Huth, writer of note on broadcasting, in World-Radio, BBC organ.

Citing the present crowded condition in the short-waves, Dr. Huth suggested that the world conferees at Cairo, now in session, might consider the following four proposals "for an easing of the critical situation and for the avoidance of interference":

"(1) Use of a common wave by several stations. This possibility is, however, relatively limited, since short waves have a great range and therefore cause mutual interference not only in neighboring countries, but in different continents.

"(2) Division of transmitting times between the stations operating on the same wavelength. This remedy, favored, moreover, by the difference in time, would undoubtedly bring about considerable improvement. But against that it seems that some countries would not be satisfied with a limited service; rather do they desire to transmit for the whole 24 hours.

"(3) General use of directional aerials. This would probably not be of much value, because in industrial transmission it is not possible to suppress a fair amount of radiation in other directions which would be sufficient to cause interference.

"(4) Setting a lower limit to the power of transmitters would eliminate numerous very low-powered local service transmitters, which on the short-wave band are capable at times of causing interference at varied ranges."

Modestly, Dr. Huth adds:

"All the above-mentioned suggestions are only partial solutions, and their realization will meet with great opposition, since no country is willing voluntarily to give up the right of unlimited use of the possibilities of radio. The short-wave problem is made considerably more complicated by the fact that it is not a question of technique, but, in many cases, one of prestige, so many stations serving predominantly political, cultural, and religious propaganda."

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TRADE NOTES

Washington radio stations are preparing to broadcast local traffic court proceedings as part of a Congressional-inspired campaign to reduce traffic accidents.

Alleging the use of unfair methods of competition in the interstate sale of merchandise, including radios, electric razors, dishes, and silver-ware and grill sets, the Federal Trade Commission has issued complaints against two Chicago concerns, John Milton Bregstone, trading as J. M. Bregstone & Co., 538 South Clark St., and Charles M. Bregstone, trading as The Veltrola Co., 180 North Wacker Drive, and against Thomas R. Moss, Dyersburg, Tenn., trading as Okeena Novelty Co., and Manufacturers Sales Co.

Morris S. Novik, Secretary to the New York County Committee of the American Labor party, was sworn in by Mayor La Guardia at City Hall this week, as Director of WNYC, the municipal broadcasting station, at a salary of $7,500 a year.

Radio facsimile was successfully demonstrated by WOR engineers this week in a special facsimile test over the station's regular broadcast channel. The tests, acclaimed highly successful by the engineers, were conducted from 2 to 6 A.M., Thursday morning, when WOR had completed its regular day's program of broadcasting activities.

Guy T. Helvering, Commissioner of Internal Revenue, said this week he had been informed that radio stations in the north-central area "had leased time to certain persons to engage in the wrongful activity of seeking to induce producers of hogs and consumers of different articles to file claims for refund of the processing tax imposed during the effective period of the Agricultural Adjustment Act."

The new $300,000 studios of WTAM, the National Broadcasting Company's owned and operated station in Cleveland, Ohio, will be formally dedicated Saturday, February 19th. Climaxing a week of activities in connection with the dedication a special half-hour broadcast will be presented from the new studios over the coast-to-coast NBC-Red Network at 9:00 P.M., EST.

An order to cease and desist from certain unfair methods of competition involving the use of lottery methods in the sale of radio receiving sets and other merchandise to ultimate consumers, has been issued by the Federal Trade Commission against Max Schreiber, Philip W. Simons and William Klompus, trading as DeLuxe Manufacturing Company, 173 West Madison St., Chicago, Ill.

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DATA ASKED ON RADIOTELEGRAPH TRAFFIC BY FCC

The Federal Communications Commission, which on Monday will open hearings on the applications of wire and radio communications companies for an increase in rates, this week called upon all radiotelegraph carriers to furnish detailed data on traffic done and business affiliations.

The carriers are instructed to furnish the information by May 1 and to set forth the amount of traffic handled and to specify why inactive points of communication should be discontinued.

The FCC also scheduled a hearing for April 11th with regard to objections filed to the recent frequency allocations in the bands from 30,000 to 300,000 kc. by several communications services.

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EXIT TAM'S HAT

A muse was awakened when Bond Geddes of the Radio Manufacturers' Association took the hat of FCC Commissioner T.A.M. Craven, following a party at the home of Harry C. Butcher, Vice-President of Columbia Broadcasting System. The next morning Commissioner Craven got his hat back by special messenger with the following verse from Mr. Geddes:

"WHO PULLED A BONE IN BUTCHER'S HOME?"

(To music (recorded) of - "Where Did You Get That Hat?")

I think somebody's ravin',
I think his name is Craven,
(Maybe he won't give a damn)
(Because his name is TAM).
For here's the hat.
And that's that.

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Data added on radiotelegram received by ...

The Medical Communications Committee, which ... May may well find heading on the application of ... conditions conducive for an increase in ... All those ill prohibitively expensive to ... specific drug and ... activities.

The meetings are interrupted to discuss the ... Dept. of Jay I and to ... that the amount of ... be currently ... inactive ... discontinuation ... designated.

The ... also ... a ... for ... Ltd. ... amount to ... filed by ... ($9,000 to ... by ... ...

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EXIT FAIR'S MAP

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SARNOFF REPORTS RCA PROFIT OF $9,000,000

An estimated profit for 1937 of $9,000,000 was reported to the stockholders of the Radio Corporation of America in an advance statement mailed to them this week by David Sarnoff, President. While the final audit is not yet completed, this preliminary estimate indicated an increase of approximately $2,844,100 over the net profit of the previous year.

The preliminary earnings statement was issued with the call for the Corporation's annual stockholder meeting to be held in New York City, April 5th. The annual report containing the final figures and detailed information concerning the past year's operations will be mailed to stockholders later this month.

Gross income of RCA for the year was estimated at $112,650,000, compared to $101,186,300 in 1936. After cost of operations, net income before deductions was estimated to be $15,400,000, compared to $11,464,100 the previous year. Deductions for taxes, interest, depreciation and amortization of patents and goodwill, were estimated at $6,400,000, leaving a net profit of $9,000,000. After allowing $3,230,000 to cover the year's dividends on preferred stocks the earnings applicable to the common stock are equal to 41½ cents a share.

In comparison with the previous year, 1936, the Radio Corporation's operations for 1937 showed an increase of 11% in gross income, while net profit increased 46% over the net profit in 1936 of $6,155,900.

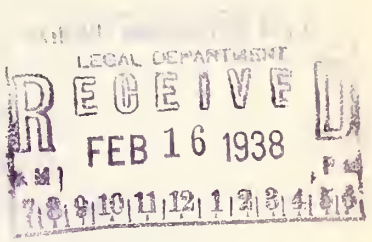
During the year the holds of First preferred stock received their regular dividends, the dividend arrears on the few remaining shares of "B" Preferred stock were paid in full and the holders of Common stock received a dividend of 20¢ a share. The total dividends paid by the corporation during the year amounted to $6,409,226. This amount was paid to 11,790 holders of 916,142 shares of Preferred stock and 230,659 holders of 13,853,415 shares of Common stock.

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No. 1101

February 15, 1938.

OUR RADIO SYSTEM BEST FOR U.S., SAYS CRAVEN

Stating that he considered the American system of broadcasting had been proved beyond question the best for our country, Federal Communications Commission T.A.M. Craven, believed by some to be ultimately slated for the Commission head upon the retirement of Chairman Frank R. McNinch, told the National Association of Broadcasters at their convention in Washington that he knew of no sound reason for suggesting a radical change in the fundamental radio law.

Confidence was also expression in the system in a letter from President Roosevelt read by Chairman McNinch in which the former wrote:

""One of the greatest advantages of the system of licensing broadcasting is that it is sufficiently flexible to lend itself readily to adjustment to meet our changing social and economic needs. In a new field of public service such as that of broadcasting we may and should expect rapid progress in both the development of the art and in meeting the public requirements that this national resource shall increasingly contribute toward our social as well as our economic advancement. The broadcasting industry has, indeed, a very great opportunity to serve the public, but along with this opportunity goes an important responsibility to see that this means of communication is made to serve the high purposes of a democracy."

Commissioner Craven declared it is proper that radio broadcasting in this country be operated by private industry and it isequally proper and necessary that this industry be encouraged to earn reasonable profits when it renders good service to the public. The Commissioner said that he was personally opposed to any form of censorship, either direct or indirect, but he suggested that the public relations department of the broadcasters' organization consider most carefully existing public reactions, and seek to develop a constructive program of improvement, particularly with reference to advertising continuity.

Mr. Craven said he wished to emphasize the fact that the agreement reached by the conference of Canada, Mexico, Cuba, Mexico and the United States is an acceptable one.

"It eliminates destructive radio interference; it averts chaos in radio, and it reserves to the United States the greatest possible flexibility, under the circumstances, to settle its own domestic affairs without undue complications.

"I am surprised at the apparent lack of understanding of the North American Treaty, and I feel that the radio industry should be seriously concerned with some of the recommendations made in his report with respect to reservations to be placed in the Treaty by the Senate of the United States.

"I suggest to the industry that the Treaty is one to which the industry can subscribe wholeheartedly, because the price paid is so much smaller than hitherto thought possible for such an international negotiation. A failure to ratify this agreement on the part of the United States will of certainty cause the United States to pay a tremendously greater price in the future, either through destructive interference or else through the surrender of far more than was relinquished at Havana in November, 1937."

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WARNS ONLY FOLLY CAN BRING GOVERNMENT RADIO

It will be the fault of the radio industry itself if the United States ever takes over the broadcasting stations of the country, Senator Burton K. Wheeler, of Montana, Chairman of the Interstate Commerce Committee and head radio man in the Senate, cautioned the broadcasters' convention in Washington.

"For obvious reasons, neither you nor I want to see government ownership in American radio; but we cannot ignore the signs or the tempo of the times", Senator Wheeler admonished. "Only broadcasting's own folly would make the threat real. And that would evolve if we allowed any entities in the industry to become too large, too potent; to permit them to reach the point where the influence they exert is so great as to create political anamosities and inter-necine strife that could only result in its destruction."

Mr. Wheeler said that the clear channel, as such, is undesirable. The initial reason for the clear channel was rural coverage, the Senator explained. That premise is no longer valid, he added, when it is found that practically all of these channels now are assigned to the metropolitan centers of the country rather than rural areas and that the majority of them therefore serve a small geographical area over which they are merely giving a duplication of service.

While discussing the responsibility of networks in broadcasting offensive material and evidently referring to the Mae West case, Senator Wheeler said that if the regulation of radio has lagged in any particular, it has been in relation to the networks.

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"In this connection I call attention to the Federal Communications Commission's action when after receipt of complaints made an investigation into the allegedly obscene or indecent performance of a motion picture actress over one of the networks. The Commission's ruling, while reprimanding the network, likewise reprimanded some sixty stations affiliated with the chain. Many stations have taken this as an open threat that if any other complaints were made against those stations they would be hailed onto the carpet to show cause why their licenses should not be revoked. I cannot believe that this was the Commission's purpose as they must realize that the stations affiliated with the networks have little, if any, control over the programs originated by the chains. They are in no position to censor these programs, or delete them in advance of their rendition. They cannot cut off the program that transgresses the law, offends listeners, or is immoral until after the danger is done. In all cases such as this, it seems to me the responsibility must rest squarely upon the shoulders of the station that originates such programs as it is there alone that correction in any broadcast can be made."

Referring to the requirement that rival political candidates be treated equally as the "doctrine of fair play", the Montana Senator went on:

"Congress did not write into the law all the specifications which would require licensees to adhere to this doctrine of fair play. To undertake such a task would lead into immense difficulties and when the job was finished, such legal specifications might abridge the right of free speech itself. However, Congress did say that you, as a licensee of a broadcasting facility, cannot take sides in a political controversy by denying the use of your station to one candidate and granting it to another. And I think you will all agree that this is a sound principle.

If it is sound with respect to political candidates in a campaign year, it must also be a good policy with respect to other public questions, whether or not it is written into the law. In other words, radio, unlike the newspaper, should have no editorial policy, no axes to grind, nor any group's particular political or economic philosophy to peddle. Radio should afford equal facilities to those who are responsible and have something worthwhile to say, irrespective of the personal views of the licensee.

Senator Wheeler went on record against licensing stations for a longer period.

"Many of you have discussed with me the lack of stability in the broadcasting industry that has resulted from short-term licenses - the six months tenure. You would like to hear me say that I believe you should have your licenses granted for a three year term,--the longest permissible under the Communications Act. I am sorry but I do not feel it is yet time for this, even though I am mindful that some of you are doing outstanding broad-

casting. I do not believe that a three year license is yet justifiable. Radio broadcasting is still in too unsettled a state. The course has not yet been clearly charted for the future, as I have attempted to indicate to you. I do not say, however, that longer licenses should not be issued - perhaps for a year at the start - as a means of encouraging investment of a sounder nature in broadcasting. Possibly that would be a desirable move. Also the Commission, by the terms of the Act under which it functions can revoke licenses for cause at any time, after due notice and hearing, and it is not necessary for it to await a license renewal period to take punitive action.

"It is true many of your programs are excellent but you have not yet learned to keep all the cheap and mediocre sort of things off the air. I refer to those offerings of old-time stage comedians whose stock in trade is the double entendre or downright smut. This is not good for radio. Entertainment which transgresses the standards of decency and good taste undermine the prestige of radio and subject licensees to a risk which they need not assume.

"I have obxerved that the complaint against commercial announcements has diminished in recent months. But many advertisements over the air to me appear to be far too blatant for the good of the advertisers themselves.

"I fully appreciate that the frequencies on which you operate were useless before you made investments and put them into service. Because you did put them into service does not, however, give you a property right. They still belong to the people and only as long as the public is properly served may they remain in your charge."

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FACSIMILE EXHIBIT DRAWS INTEREST AT NAB MEETING

A demonstration of facsimile broadcasting by the Radio Corporation of America attracted considerable attention at the NAB convention early this week.

Foreshadowing the newspaper of the future, which could be delivered overnight via the radio receiver, the facsimile machine is one of two types that broadcasting stations have been acquiring recently as they obtained permission from the Federal Communications Commission to experiment with the new art.

Charles J. Young, RCA facsimile inventor, conducted the demonstration. A small one-sheet edition of Broadcasting, trade magazine, was received on the machine and was said to be the first actual spot news newspaper to be transmitted by facsimile.

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Another thing sent by facsimile was the letter of greeting which President Roosevelt sent to the convention. It was received from the White House by messenger but later was placed before the entire convention by means of facsimile. Also the report of the 17 Directors elected was transmitted by facsimile today (Tuesday).

Opinions differ as to the possible future effects of facsimile broadcasting on newspapers. Some hold that it never will do more than supplement the newspaper, while others contend that it will supplant it.

Bruce Bliven, editor of the New Republic, recently predicted in an address in Washington that facsimile will open up entirely new fields for newspaper circulation, permitting a national paper to broadcast its editions throughout the country. Several publishers, aware of the potentialities, are already experimenting with the art. They are not going to be caught napping as most publishers were on radio in the early days of development.

It is expected that the receivers, plus an ordinary radio receiver in the same cabinet, can be sold for about $150 when they are built in quantities, according to Mr. Young.

At present, he said, newspapers in Fresno and Sacramento, Calif.; Spokane, Buffalo, Milwaukee and Portland, Ore., have ordered both sending and receiving equipment and the FCC has granted experimental licenses to several others.

The system designed by Mr. Young utilizes ordinary white paper and carbon paper at the receiving end. No processing is required. The width of the matter received is eight and a half inches, and the speed of reception and printing is three feet an hour.

A time clock incorporated in the apparatus makes it possible to set the machines to begin and end operating at preselected hours. One type, designed by Mr. Young, cuts twelve-inch printed pages off a roll of paper and deposits them in a tray. Once a machine is set to start and stop at certain hours a lid covering all the moving parts may be closed and the operator can forget about it. The clock starts the mechanism by turning on the current and the finished sheets emerge from a slot. The receiver-printers are slightly larger than an ordinary typewriter.

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The first ultra-high frequency station which has its own programs separate from a long-wave station is W8XWJ, owned by the Detroit News, which also operates WWJ. The separation of the two stations was effected last week after experimental joint operation for the last two years.

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NAB ADOPTS REORGANIZATION PLAN, NAMES DIRECTORS

By unaminous vote the National Association of Broadcasters adopted the sweeping reorganization plan late Monday and proceeded at once to name 17 regional directors, who in turn were to select six directors-at-large, as the convention speeded toward adjournment Tuesday night, a day earlier than scheduled.

The Reorganization Plan, which was adopted with only a few minor amendments, calls for a paid President and a paid Secretary-Treasurer and a broad administrative set-up, which, however, must be passed upon by the new Board of Directors. The Directors will meet on Wednesday to select the Secretary-Treasurer, but the naming of a President is expected to be delayed.

A temporary administrative officer, probably Philip G. Loucks, Washington attorney, who was counsel for the Recorganization Committee, was being boosted for the job although he stated he would not accept the paid presidency. Edwin M. Spence, former manager of Stations WPG and WBAL, was the likely choice for Secretary-Treasurer.

Adoption of the reorganization plan without a dissenting vote was a marked victory for the Reorganization Committee in view of the fact that James W. Baldwin, the retiring Managing Director, assailed the plan in a scathing report to the NAB on Monday.

The 17 Directors elected at regional caucuses Monday night are as follows:

District 1. (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island) John Shepard, 3d, Yankee Network; District 2, (New York) - Harry C. Wilder, WSYR Syracuse; WJTN, Jamestown; District 3 - (Delaware, New Jersey'and Pennsylvania) - Clair McCollough, WDEL, Wilmington; WORK, York; WGAL, Lancaster; WAZL, Hazleton; WEST, Easton. District 4)District of Columbia, Maryland, North Carolina, South Carolina, Virginia and West Virginia) - John A. Kennedy, WCHS, Charleston; WPAR, Parkersburg; WRLK, Clarksburg.

District 5 - (Alabama, Florida, Georgia, Porto Rico) - W. Walter Tison, WFLA, Tampa. District 6 (Arkansas, Louisiana, Mississippi, Tennessee) - Edwin W. Craig, WSM, Nashville. District 7 - (Kentucky, Ohio) - Mark Ethridge, WHAS, Louisville; District 8 - (Indiana and Michigan) - John E. Fetzer, WKZO, Kalamazoo. District 9 (Illinois, Wisconsin) - Walter J. Damm, WTMJ, Milwaukee; District 10 (Iowa, Missouri, Nebraska) - John J. Gillin, Jr., WOW, Omaha.

District 11 (Minnesota, North Dakota and South Dakota) - Earl H. Gammons, WCCO Minneapolis; District 12 (Kansas, Oklahoma) Herbert Hollister, KANS, Wichita; District 13 (Texas) - O. L. Taylor, KGNC, Amarillo, and KFYO, Lubbock; District 14 (Colorado Idaho, Utah, Wyoming, Montana) - Gene O'Fallon, KFEL, Denver; District 15 (California, excluding counties of San Luis Obispo, Kern, San Bernardino, Santa Barbara, Ventura, Los Angeles, Orange, Riverside, San Diego and Imperial; Nevada and Hawaii) - Ralph R. Brunton, KJBS, San Francisco and KQW, San Jose.

District 16 (Arizona, California including counties excepted in District 15, and New Mexico) - Donald W. Thornburgh, KNX, Los Angeles; District 17 (Alaska, Oregon, Washington) - C. W. Myers, KOIN-KALE, Portland.

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FCC TO MAKE OWN RADIO INVESTIGATION, McNINCH SAYS

The Federal Communications Commission will make its own investigation of charges of monopoly, of chain broadcasting, and related matters, Chairman Frank R. McNinch disclosed today (Tuesday) in an address to the National Association of Broadcasters.

Chairman McNinch said he would suggest the inquiry to the FCC soon, and there is little doubt that the proposal will be carried out unless Congress should order a probe on Capitol Hill in the meanwhile. The latter course appears unlikely at this stage in view of administration coolness toward the pending resolutions for a sweeping investigation of both the FCC and the radio industry.

There is reason to believe, in fact, that Chairman McNinch's suggestion is the administration's answer to the Congressional critics.

Commenting on the address of Senator Wheeler (D.), of Montana, in which he cited the danger of monopoly within the broadcasting industry, Mr. McNinch said:

"My word to you on this subject is that it is the duty of the Communications Commission to prevent the development of a monopoly or to set about to destroy it if one exists. I have no less determination than that I shall contribute all that I can toward these ends. I am not particularly interested in whether there may be a technical or legal monopoly, for my concern runs quite ahead of that consideration to discover whether there is such a concentration of control as to amount to a practical monopoly. If there is a monopoly, it exists in direct violation of the law; if there is no monopoly, may I suggest that you yourselves re-examine to what extent there is centralization of control and whither it is tending?"

"I have in mind suggesting to the Commission that it proceed soon to investigate this question as to whether there is a monopoly and whether there is any undue or anti-social centralization of power and control. This would mean also an investigation of the chain broadcasting systems and of the chain contracts with the affiliates; of the management contracts; and of the actual practices of the chains in dealing with the affiliated local stations. So much has been said in the Congress, and by the press generally, about monopoly and the control of the industry by chains that the time is here when we must deal with these problems by fully exploring these matters so we may have exact information upon which to predicate judgments and policies.

"The Communications Act vests the Commission with power and authority to regulate chain broadcasting and I believe it ought to do this promptly if it has the necessary information upon which to base regulations; but, if not, that this information should be gotten to the end that within a few months the chains and the affiliates and the public may know the standards, requirements, and policies prescribed in the regulation of the chain systems."

Mr. McNinch also predicted that the FCC shortly will adopt a uniform system of accounting so that accurate fiscal data on the industry may be made available. In this regard he said:

"As a necessary means to the proper regulation of the industry, I hope the Commission will soon adopt a uniform system of accounting, for only through such a system can the Commission or the industry or the public have any dependable and comparable financial data. The Commission will not, of course, adopt such a system without first giving you opportunity to consider the proposed system and will invite your suggestions and criticisms. However, the system ultimately adopted must be thorough and comprehensive and comparable to the uniform systems of accounting adopted by regulatory agencies for other industries."

The FCC Chairman said a good word for chain programs, while suggesting that the chains be investigated. He said:

"My comments on the necessity for regulating the chain systems were made in the light of the fact that I have a genuine appreciation of the contributions made to our programs by the chains. I congratulate them with complete sincerity upon their having given to the listening American public many features that surpass in interest and quality the program material provided for listeners in other countries. Indeed, I am disposed to doubt whether, under our present system, there could be supplied programs of the kind and quality we now have except through a chain system or something akin to it. But while the broadcasting industry is to be highly commended for the quality of most of its program service, I would be less than candid did I not say that in my opinion some of the program features fall below the standard which I believe the public expects and has a right to expect.

"This comment and such further comments as I may make on programs is made in a friendly, cooperative and purely advisory spirit. I am neither a purist nor a prude but one does not have to be either to believe that those who visit our family circles by means of the radio should be careful not to abuse this privilege. I do not believe in nor want the power of censorship. I read many, many complaints against program features that do not seem to warrant active consideration. However, I am pursuing the practice of forwarding to the stations complained against those protests which appear to have sufficient merit to justify bringing them informally to the attention of the station to the end that it may know something of the complaints forwarded to the Commission. This is done in the hope that it may be of some service to you and not with any thought whatever that the reference of any such protest or complaint to you carries with it any implication that the Commission has formed any conclusion or judgment upon the matter. You know as well as the members of the Commission what is fair play, what is vulgar, or indecent, or profane, or what may reasonably be expected to give offense. In such situations the Commission has a duty to the listening public to discharge, for your license is dependent upon your serving the public interest, convenience and necessity."

Regarding advertising on the air, Chairman McNinch warned the broadcasters that they must guard against over-commercialization unless they wanted the Commission to step in and exercise more rigid control.

"May I suggest for your own good", he said, "that you scrutinize more carefully the sponsored advertising script and ask yourself the question in each case, which the Commission must ask itself ultimately, 'Is this for the public interest, convenience or necessity?' In interpreting that statutory phrase, I put the emphasis upon the key word 'public' and I believe you would do well to test in this crucible every script offered. Is it in the public interest that medical remedies or other products be advertised in phrases that are deceptive, misleading or even false? Keep in mind that your sponsors are making their sales talk in the home. You have a real responsibility in determining what products you will permit to be advertised as well as the language in which you will permit them to be advertised, for there are products which it is lawful and legitimate to sell but which the average American home may not welcome an invasion in an effort to sell.

"May I make bold to suggest that you consider the wisdom of adopting a policy that would deny your facilities to those who seek to cultivate the consumption of intoxicating beverages. There is comparatively little radio advertising of intoxicating veverages over the radio and you are to be congratulated on so largely eliminating this sales appeal. I believe that those who drink as well as those who do not drink these beverages would approve the elimination from the radio of advertising directed toward increasing the consumption of

liquors. A majority of our citizens registered their will that it should be lawful to sell such beverages but the minority on this subject, as upon all other controversial questions, has, I believe, a right to have its homes protected against that which is offensive.

"I commend the industry upon the service it has rendered without compensation to many fine social, religious, civic and educational causes. Your contribution has been noteworthy. There are, however, yet wider fields of usefulness for the radio than have as yet been entered, and I believe you will win and deserve an even larger measure of public favor than you now enjoy if you can find it practicable to make your facilities available for larger measures of public service along these lines.

"As you know, the Commission has recently made allocation of some twenty-five channels in the high frequency band between 41 thousand and 42 thousand kilocycles to recognized non-profit educational agencies for the advancement of educational work in local communities. You have a great opportunity to supplement this local educational work by close and active cooperation with the Federal Radio Education Committee which was appointed by the Commission December, 1935. This Committee has already accomplished a great deal in the field of educational broadcasts and it now has a program of projects which, if the means are available to continue its work, would prove of exceedingly great value in advance the cause of education, in its broadest sense, over the radio. This Committee's budget calls for $250,000 to carry forward ten projects for from two to five years. Of this amount $167,500 was allotted to foundations and has been subscribed, so I am advised. The sum of $84,000 was allotted to broadcasters, and I understand that only a relatively small part of this amount has been forthcoming. I respectfully commend the work of this Committee to your favorable consideration."

Referring by implication to the NAB Reorganization Plan, Chairman McNinch said that broadcasting calls for a high type of leadership and yet warned the broadcasters against "autocratic power within the industry."

"Of all industries, it seems to me that radio - because it is so essentially social in its implications and effects - calls clearly for leadership that has social vision and a mature wisdom which understands that the only safe and sure way to win and hold the public favor is through an enlightened, genuine and unselfish purpose to serve the best interests of the public. Beware of reliance upon propaganda and political pull and influence. These are broken reeds upon which you dare not lean. The leaders of this industry must be able to take the long view and not look too closely and immediately at profit, for a just public is always willing to pay a fair return for a valuable service rendered but is quick to discern the devices of the profiteer.

"You are in a high sense trustees of a public resource, and the public neither expects nor will it tolerate that this resource shall become primarily the plaything of fortune hunters. If the National Association of Broadcasters is earnestly interested in maintaining the present license system, as I am sure you are, then I summon all of you to a public spirited cooperation among yourselves and with the Federal Communications Commission and with the Congress to the end that radio may become an increasingly constructive, enlightened, entertaining and helpful servant of the people.

"If you want to keep radio democratic, as I do not doubt that you do, you must be on your guard against the growth and development of any autocratic power within the industry. Yours is a young industry and it need not fall into the grievous errors that other industries have fallen into in the past. Certain industries in the past permitted a concentration of control that grew to such vast proportions as to become a veritable Frankenstein that turned upon and destroyed its creators. The railroads and the power industry and other industries paid the price of public condemnation for their own folly in permitting these industries to come under the domination of a few powerful greedy men. Do not flatter yourselves that this could not happen to the radio industry. Face the stark reality that, as a member of your own industry has said to me, 'radio could not survive an Insull'. Indeed, it could not, as the people feel a more intimate interest in and a more definite proprietorship over radio than perhaps over any other public agency. They have a keen consciousness that it belongs to them. They are watching with an intelligent interest how you administer that which is loaned to you. They have high expectations of the kind and quality of service they are to receive and, while the public is patient, it will nevertheless hold to strict accountability an industry to which has been entrusted such an important and influential resource as the radio."

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HARBORD TO INSPECT RCA PLANTS ABROAD

General James G. Harbord, Chairman of the Board of the Radio Corporation of America, left New York Monday on a tour of inspection of his company's plants and facilities in Asia and Europe. In Australia he will be the guest of Sir Ernest Fisk, President of the Institution of Radio Engineers, and will address radio and communications experts from many countries who will meet at a World Radio Conference in Sydney.

Inspections of R.C.A. Communications stations in Hawaii, Java, Philippines, China, Japan and other Asiatic countries and of the RCA Victor record plant in Tokyo which manufactures phonograph records for the oriental markets, will be made by General Harbord during the trip. He will return home by way of Moscow and Europe, reaching New York in July.

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HEINL RADIO BUSINESS LETTER

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NAB BOARD DEFERS SELECTION OF PAID PRESIDENT

With Philip G. Loucks, Washington attorney, temporarily at the helm, the National Association of Broadcasters has deferred selection of a paid president at least until next month but will proceed meanwhile to set up an extensive administrative staff.

The newly elected Board of Directors, comprising 17 Regional Directors and six Directors-at-large, met immediately after the NAB convention was concluded Wednesday morning but reached no decisions other than the appointment of Mr. Loucks as Special Counsel.

The Board will meet again March 21st and at that time may or may not choose an executive head. The broadcasters insist that they are not looking for a "czar" or "dictator" but merely for a distinguished leader who will act as spokesman and "front" for the industry. No salary range has been specified, but indications are that the NAB would pay between $25,000 and $50,000 if they find the right man.

At the discretion of the new Board, the following administration posts may be filled: Director of Labor Relations, General Counsel, Director of Public Relations, and a Research Director. A paid Secretary-Treasurer also will be employed.

Broadcasters who attended the NAB convention are reported to be somewhat disturbed by the critical talk made by Chairman Frank R. McNinch of the Federal Communications Commission, last Tuesday, and there have been rumors that he might be offered the post of president in order to silence him. Authoritative sources, however, scoff at the possibility.

Chairman McNinch has been invited to attend a luncheon meeting of the Board on March 21st and at that time he probably will express his views as to the type of leader he believes the industry needs.

Among the names mentioned for the NAB plum, according to Broadcasting, trade organ of the industry, are the following:

Patrick Hurley, former Secretary of War; former Senator C.C. Dill, now a Washington attorney; John G. Winant, former Governor of New Hampshire and former Chairman of the Social Security Board; Stewart McDonald, Federal Housing Administrator; Edgar Kobak, Vice-President of Lord & Thomas; M. H. Aylesworth, former President of the National Broadcasting Company and now with Scripps-Howard.

James W. Baldwin, former Managing Director of the NAB, so far is entirely out of the picture of the reorganized organization, but it is reported that he will draw his $16,000-a-year salary until next June.

A budget of $250,000, double the former one, is anticipated to put across the new organization. Dues have been stepped up along the line in proportion to station profits.

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FCC CHAIRMAN SAYS HE'LL HOLD ON AWHILE

Frank R. McNinch, Chairman of the Federal Communications Commission, has no intention of quitting his job for sometime despite the fact that President Roosevelt is keeping the Chairmanship of the Federal Power Commission open for his return.

Chairman McNinch told broadcasters in an address at the NAB convention that he found the work "intriguing" and that he would not quite it until he had completed his assigned task of house-cleaning.

"When I took office as Chairman of the FCC", he said, "I had but little understanding of the wide scope of the duties and responsibilities of the Commission in the licensing and regulation of the radio. Each week has brought to me an increasing realization of the importance of the Commission's work to the public as well as to the industry. So intriguing and fascinating has the Commission's field of opportunity for public service become, that while, as it was expressed in the press, I was loaned from the Power Commission to the Communications Commission for a period of a few months, I am now planning, gentlemen, to continue in this work until I may have had a part in at least charting a course of constructive regulation and the formulation of policies for the guidance of the industry and the solution of some of the more important problems inherent in radio and facing your industry."

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LISTENS TO US FROM EGYPT

John H. Payne, Chief of the Electrical Division of the Bureau of Foreign and Domestic Commerce, writes from the Cairo Radio Conference, where he is a delegate:

"I have a good radio and am listening to America frequently."

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TWO STATIONS TRANSFERS APPROVED BY EXAMINERS

Approval by the Federal Communications Commission of two station transfers was recommended this week by an Examiner although both admittedly violated the Communications Act and a Commission rule.

The transfer of the control of the Honolulu Broadcasting Co., Ltd., operator of Station KGMB, to the Pacitif Theatres & Supply Co., Ltd., by the sale of 850 shares was held by Examiner Tyler Berry to be a violation of Section 310(b) of the Communications Act.

"However, there was no evidence of concealment or a wilful purpose to disregard the statute", he added, "and it does not appear that the public interest or any other service has suffered any injury because of the failure to report the attempted transfer of the stock."

Regarding a transfer of control of the Arkansas Radio & Equipment,Co., which operates Station KARK, Little Rock, Ark., Examiner Berry held that the transfer of 617 shares of stock by John R. Frazer to Radio, Inc., was not subject to the Communications Act but that the transfer of a similar number of shares from Radio, Inc., to T. H. Barton without the consent of the Commission was a technical violation of Section 310(b).

"However, Mr. Barton at that date owned in his own right, all of the outstanding stock of Radio, Inc.", Berry said, "and upon the dissolution of Radio, Inc., Mr. Barton became the legal owner and entitled to the possession of the stock of Arkansas Radio & Equipment Co. so that the delivery of the stock of the Arkansas Radio & Equipment Co. to Mr. Barton, in fact, constituted no change in ownership."

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YOUNG ROOSEVELT ONE OF NEW NAB DIRECTORS

Elliott Roosevelt, son of the President and head of Hearst Radio, Inc., was elected one of six Directors-at-large this week by the 17 Regional Directors of the National Association of Broadcasters.

Other Directors-at-large are: Harold Hough, WBAP, Fort Worth; Lamdin Kay, WSB, Atlanta; Frank M. Russell, WRC, Washington; John Elmer, WCBM, Baltimore; and Edward A. Allen, WLVA, Lynchburg, Va.

An Executive Committee also was named following the convention. It comprises Edwin W. Craig, WSM, Nashville; Mark Ethridge, WHAS, Louisville; Walter J. Damm, WTMJ, Milwaukee; Frank Russell, WRC, Washington; and John Elmer, WCBM, Baltimore. The President,as yet unchosen, will head the Committee.

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HERRING BILL NOT CENSORSHIP, AUTHOR SAYS

Senator Herring (D.), of Iowa, this week sought to correct what he said was "an erroneous impression" that his radio bill would "interfere with free speech or provide for the Government censorship of radio broadcasts."

The Iowan, leader of a movement to "clean up" the radio broadcasts, said the amendments he was drafting for the Federal Communications Commission, asked no additional powers for the Federal Communications Commission.

He added he would propose establishment in the Commission of a Board of Review program voluntarily submitted by the broadcasters before they were put on the air.

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NEW NAB DUES RANGE FROM $5 TO $500 A YEAR

Broadcasting stations will pay well for their broader trade organization under the scale of dues adopted at the NAB convention this week.

The scale, based on the range of income, is as follows:

Range of Income	Monthly Dues
$ 0 - 15,000	$ 5.00
15,001 - 36,000	10.00
36,001 - 60,000	15.00
60,001 - 80,000	20.00
80,001 - 120,000	30.00
120,001 - 160,000	40.00
160,001 - 200,000	50.00
200,001 - 300,000	75.00
300,001 - 400,000	100.00
400,001 - 500,000	125.00
500,001 - 600,000	150.00
600,001 - 800,000	200.00
800,001 - 1,000,000	250.00
1,000,001 - 2,000,000	400.00
Over $2,000,000	500.00

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EDUCATORS SHOW INTEREST IN FCC ALLOCATION

Although only one application for short-wave educational facilities has been filed with the Federal Communications Commission since it set aside 25 ultra-high frequencies for educational use, schools all over the country are showing a keen interest in the matter.

The first application came from the Cleveland Board of Education and asked for 41,500 kc., with 500 watts unlimited time.

Boards of Education in New York City and Detroit have asked the FCC for information concerning the new allocation, while the U. S. Office of Education has been besieged with inquiries, according to Dr. John W. Studebaker, the Commissioner.

"The reservation of 25 channels means that a large number of allocations can be made to educational groups throughout the United States ", Dr. Studebaker said. "Engineers point out that a minimum of about 50 stations in various parts of the country may use each frequency, since the ultra-high radio waves are distinctly local in character. This indicates that there is room in the sector reserved for at least 1,250 local non-profit educational radio stations.

"The new frequencies will be used to stimulate the interest of students in subjects they would not ordinarily be eager to learn. Detroit is presently engaging in such broadcasts. There will be broadcasts to classrooms as there now are to science classes in Rochester. Model lessons broadcast by especially expert teachers in various subjects will gradually improve classroom teaching. Cleveland is one city now following this practice. The University of Wisconsin's radio classes in singing doubtless will be duplicated in many other areas. Chicago and Long Beach have made emergency use of radio to reach pupils in their homes when schools were closed.

"These frequencies can be a great boon to the isolated rural school with its one or two teachers. At present county superintendents or supervisors may be able to visit each school in the county or district only once or twice a year. Under this plan constant contact may be maintained with all schools.

"The newly allocated frequencies are distinctly local in character. They will be serviceable at a radius of 5 to 15 miles from the transmitter. A radio tower on a hill top probably will be a characteristic adjunct of many American schools in the not-too distant future."

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McNINCH DEPARTS FROM PREPARED SPEECH TO NAB

Chairman Frank R. McNinch, of the Federal Communications Commission, departed from the text of an address given to the press this week when he addressed the National Association of Broadcasters. Some of his interpolations were more critical than the comments in his prepared speech.

A stenographic report of Chairman McNinch's address, published in the current issue of Broadcasting, contained the following comments by the FCC Chairman on programs and program standards:

"While the broadcasting industry is to be highly commended for the quality of most of its program service, I would be less than candid if I did not say that in my opinion some of the program featurds fall below the standard which I believe the public expects and has a right to expect.

"This comment and such further comments as I may make on programs is made in a friendly, cooperative and purely advisory spirit. It is not intended to carry the least threat. I want to help you if I can, for that is my job. I hope I may be able to look at these things from the standpoint of the average citizen. Maybe you are not quite so well placed to do that, for sometimes we are so close as not to be able to see the woods for the trees. All that I say is intended to be helpful to you rather than hurtful.

"I am neither a purist nor a prude, although I have had questions asked me indicating that I was both - and then some.

"Not at all! I think I am just an average American citizen. If I have ideals and fairly high conceptions of public interest, public taste and public desire, I do not believe I overrate the concepts of the average American citizen. I do not think I have any higher conception of the home thatn you have, and I am not willing to grant that any other has a more exalted opinion of the home than I have. I have a family, a wife and five children, and I can get a fair impression similar to that made upon the average American home by program material that is broadcast.

"As I sit in our family circle listening to the radio, we are, I believe a typical American family. Some programs are not welcomed. They subtly and sometimes boldly suggest to young people things that I wonder if any of you think it proper to suggest to young minds in their plastic and formative stage when impressions are quickly and indelibly made, often to last through life. Beware of the danger to the ideals, the morals, the thought-habits of our youths and children. I wonder if here there is not the highest possible degree of responsibility that is carried by any public agency because you do come into our homes, whisper your message or your song whether for good or ill to those assembled.

"I do not believe in, I do not want, I shall not exercise consciously any power of censorship. The supervision of your programs rests squarely upon your shoulders, but it is definitely there and it goes with and is incident to your license. You cannot escape that responsibility.

"I have heard that some have the jitters about what the Commission may do about censorship. I do not know what I may say about it that would not be misleading, but I shall try to say a helpful word. Why have the jitters about censorship? The Commission has done nothing that I know to justify your sitting on edge lest you be hailed into court upon some frivolous accusation as to a broadcast over your station.

"If you sat at my desk you would read many, many complaints against the stations, about which you do not hear because they do not appear to warrant active consideration.

"I send other complaints to you from time to time without any expression of opinion but for your information. I think I owe that to you. You would not like, would you, that the Commission should continue to receive complaints against your station without your knowledge? When the complaints are received from the Commission without comment, I would like you to be sure that the Commission has formed no opinion whatever touching the matter complained of."

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G.E. ULTRA SHORT-WAVE STATION READY

General Electric's new ultra-short-wave radio transmitter erected on top of the State Office Building in Albany, N. Y., will officially inaugurate its broadcast schedule Monday night, February 21st. This new station, to be known by the call letters of W2XOY, will operate on a frequency of 41 megacycles or 7.31 meters with a power output of 150 watts. It will be on the air four times each week, on Mondays, Wednesdays and Fridays from 8 to 9 P.M., and on Saturday afternoons from 3 to 5 o'clock. All programs will originate in General Electric's short-wave studios in Schenectady and will be carried by a special wire line to the Albany transmitter.

Signals on this ultra band are supposed to travel in straight lines, the same as light waves, to be heard within a distance of 20 or 25 miles from the point of origin. However, in one of the early tests about two months ago a report was received from an amateur in Phoenix, Arizona, more than 2,000 miles distant, telling of receiving the station

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TRADE NOTES

Station W1XK, Boston, this week placed in operation a new directional rhombic antenna beamed on Capetown, South Africa, and expected to greatly improve service to all of South Africa. The new antenna comprises four 60 foot wood poles arranged in the form of a diamond 205 feet on each side. The resultant power gain is 20 times, thus giving an effective beam power of approximately 120 KW.

"Monopoly in Radio" is the title of an article in the March issue of Pacific Monthly. The author is J. F. Burke, "editor of the air", who speaks daily over Stations KFVD and KMTR.

Mae West got in the last word in the recent radio row by taking a whole page in Variety to address "salutations" to the National Association of Broadcasters during the Washington convention. The tag line was: "Remember me, boys!"

Station WMCA has become the New York outlet for the WLW line following a deal worked out between John L. Clark, head of Transamerican Broadcasting & Television Corp. and Donald Flamm, President. The alliance became effective this week with the clearance of two WLW line commercials over WMCA. Other new line commercials will be moved over to WMCA from WHN as spots become available on the former station, and as approvals for such changes are obtained from the clients concerned, Variety reports.

Station WOR, Newark, announced this week the placement of an order for radio facsimile equipment to be supplied by RCA. This additional equipment, to be delivered within a few weeks, differs in a number of points from the facsimile system now being used by the station during experimental broadcasts which are being conducted daily by the WOR engineering staff.

Work on a series of recordings for the National Association of Manufacturers was started this week by the NBC Electrical Transcription Service. The 15-minute programs will consist of talks on current events and economic trends by George E. Sokolsky, well-known writer, lecturer and commentator. The recordings will be made available without charge to one local station in each community. They already are reported to be scheduled on more than 235 stations throughout the country.



"Radio as a Political Instrument" by Cesar Saerchinger, formerly a U. S. network representative abroad, appears in the current issue of Foreign Affairs Quarterly.

General Electric's enlarged short-wave broadcast schedule, to include use of the two new frequencies recently granted W2XAD by the Federal Communications Commission, will go into effect March 4th. Four frequencies will then be used by Stations W2XAD and W2XAF in transmitting programs to international listeners. The broadcasting schedule will be increased by two and one-half hours with the use of the new frequencies. W2XAD, on 21,500 kilocycles or 13.95 meters, will be in operation from 8 A.M. to 12 noon; on 15,330 kilocycles or 19.56 meters from 12:30 p.m. to 7 p.m.; and on 9,550 kilocycles or 31.41 meters from 7:30 p.m. to 12 midnight, EST. Station W2XAF, operating on a frequency of 9,530 kilocycles or 31.48 meters, will be in service from 4 P.M. to 12 midnight, EST.

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EDITOR NOTES PROGRESS IN TELEVISION ART

Encouraging developments in television experimentation were noted by Orrin E. Dunlap, Jr., Radio Editor of the New York Times, in the lead article on his radio page last Sunday.

"Along two new fronts the attack on television is being widened to simplify and make telepictures practical for reception in the home", he wrote. "First, research experts here and abroad have turned their attention to the development of a television attachment for standard broadcast all-wave sets to convert them into receivers of ethereal cinema.

"Second, apparatus, including cathode ray tubes or 'eyes' is being designed at prices that encourage amateur experimenters to enter the field of radio optics. In addition, several new systems of flickerless telecasting are being evolved which promise to simplify transmission and reception in an effort to make both as practical and clear as the broadcasting of sound.

"Today, under television methods in use in New York and London, the sending and receiving machines must be synchronized, and this is quite a complex electrical trick. The practice is to 'paint' the picture at the sending end and also at the receiver, locking the two terminals by electrical synchronization so they will work in step or harmony. When the electron 'brush' sweeps a line across the transmitter's eye, a similar 'brush' must sweep a duplicate stroke across the screen at the receiver.

"To simplify the magic, Allen B. DuMont, veteran radio engineer, at his laboratory in Upper Montclair, N. J., recently demonstrated a new system in which the image or scene is 'painted' electrically at the transmitter. Then the complete picture is broadcast, along with what the engineers call the 'controlling factors' necessary for holding the receiver in perfect step with the transmitter. This eliminates much of the work heretofore done at the receiver and facilitates simplification of the apparatus.

"As television is now evolving there is to be no overnight upset of the nation's broadcasting system; there is to be no overnight obsolescence of home radios, for a radio of 1938-39 design may well be a television receiver some day when the 'eye' attachment is ready to be plugged into the circuit to 'see' what the loud speaker is talking about. That day may not be far away."

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CBS TELEVISION DEBUT DELAYED UNTIL SUMMER

Due to a change in specifications for the visual transmitter, the Columbia Broadcasting System will not make its debut in television before late Summer. Earlier plans called for the transmissions from the Chrysler tower to begin this Spring. RCA is making the equipment.

Plans for the studios also have been changed. Instead of permanent stage fixtures, as originally proposed, it is planned now to use portable fixtures until the period of experimentation in television broadcasting is past.

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Speaking in the Australian House of Representatives recently, a member of the Cabinet stated that newspapers have complete control of 20 broadcasting stations in Australia. In addition to this, newspapers had interests in 11 other broadcasting stations which they did not control. These facts were given to refute any suggestions that newspapers were gaining control of the majority of radio broadcasting stations in Australia, which at the present time number 102, of which 20 are "National Stations" owned by the Government and operated by the Australian Broadcasting Commission, while 82 are "commercial stations".

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NOTE: DUE TO THE GOVERNMENT OFFICES BEING CLOSED FOR THE WASHINGTON BIRTHDAY HOLIDAY, THERE WILL BE NO ISSUE ON TUESDAY, FEBRUARY 22ND.

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WMCA SIGNS OFF WITH PRAYER FOR OPPRESSED PEOPLES

Station WMCA, New York, last Sunday broadcast a prayer for "oppressed people in other lands" and stated it will be given nightly at the conclusion of the regular program. The announcement, made by Donald Flamm, President of Station WMCA, marks the first definite expression of an editorial policy by any American radio station.

The prayer, set to appropriate music and preceded by the national anthem, reads: "At this time, may we express the fervent prayer that the sweet freedom of democracy, so keenly enjoyed by all Americans, may some day soon, be restored to those people of other lands who, tonight, are yoked by oppression. And may the spirit of brotherly love preserve inviolate the glorious principles on which our own great country was founded. Peace on earth, good will to men."

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FIRST MARCONI AWARD GOES TO NAVAL OFFICER

The first Marconi Memorial Gold Medal for Valor established by the Veteran Wireless Operators' Association in memory of the Italian inventor, who was honorary president of the organization, was awarded in New York last week at the Association's annual dinner to Lieutenant Carl O. Petersen, U.S.N.R., for outstanding radio work as a member of the Byrd Antarctic Expeditions.

David Sarnoff, President of the Radio Corporation of America, a life member of the Association, made the presentation to Lieutenant Petersen.

The RCA president also announced his personal gift of $1,000 toward the erection of a suitable memorial in New York to Marconi, who died on July 20, last year, in Italy. Funds for this purpose, it was learned, already have reached nearly $3,000. The monument is to cost more than $10,000.

Lieutenant Petersen received the Marconi medal for his work in connection with radio communication from an airplane during an exploration flight over the Antarctic Continent by Rear Admiral Richard E. Byrd on Jan. 3, 1934. For that occasion Lieutenant Petersen rigged up a radio compass which was said to have been of inestimable value in aiding the fliers to reach their landing place at Little America after hours in the air over the inland polar wilderness.

For his work with the Byrd parties the radio man also has received the Congressional Gold and Silver Medals, the Navy Distinguished Flying Cross and the Lief Erikson Medal. Only three of the latter ever have been awarded.

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BROADCASTERS PLAN FIGHT ON BOYLAN TAX BILL

Broadcasters, led by the National Association of Broadcasters, were discussing plans this week for fighting the proposed tax on radio stations, based on power watts, after Representative Boylan (D.), of New York, disclosed that hearings will be held this session on his bill.

The broadcasting industry was taken somewhat by surprise by the announcement as it had been generally assumed that the measure, originally drafted by Commissioner George Henry Payne, was dead for the session at least.

So confident were the broadcasters that the tax proposal was dormant that they didn't bother to take any action on it at the recent convention of the NAB in Washington.

Officials who are serving as interim officers of the NAB pending the employment of a paid president and other executives said that NAB undoubtedly will be prepared to battle the bill when hearings begin before a sub-committee headed by Representative Thompson (D.), of Illinois.

Neutral observers are inclined to believe that while hearings probably will be held that it is doubtful that any tax law will be enacted at the present session of Congress. No date will be set by the sub-committee until the general tax measure now pending before the full Ways and Means Committee is reported to the House.

The Payne-Boylan tax plan would cost the broadcasting industry between $5,000,000 and $7,000,000 a year, it is estimated, and would fall hardest on the high-power stations.

The broadcasters received a second jolt when Chairman Frank R. McNinch, of the Federal Communications Commission, came out publicly endorsing the proposal to tax broadcasting stations on the ground that FCC regulation cost the Government $1,700,000 a year and that broadcasting stations pay nothing for the use of the Government-owned radio channels.

Mr. McNinch explained that he did not endorse the Payne-Boylan tax plan as he had worked out no rates, but he added:

"Broadcasters enjoy the privilege granted by the Government, and they ought to pay some reasonable tax to support the regulatory agency."

The idea of charging radio stations license fees has been discussed for several years during hearings by House and Senate Appropriations Committees.

On March 2, 1929, the Senate adopted a resolution calling upon the Federal Radio Commission to formulate a schedule of fees, and on Dec. 9, 1929, Chairman Ira E. Robinson submitted a plan.

A bill incorporating parts of these suggestions was introduced in the House on Feb. 15, 1933, by the then Representative Ewin Davis of Tennessee, and referred to the Merchant Marine, Radio and Fisheries Committee. It died in a pigeon-hole.

The Boylan bill also provides that every person operating a broadcast station after passage of the bill, "or upon first engaging in the operation of a broadcast station in the United States, and thereafter on or before the first day of July of each year, shall register with the Collector for the district in which such station is located, his name or style, principal place of business and places of business in such district, and pay a special tax, computed on the power authorized by the Commission for use by the station."

The following rates are proposed:

"For every station authorized to use not in excess of 1,000 watts, $1 per watt for each watt authorized.

"For every station authorized to use in excess of 1,000 watts and not in excess of 10,000 watts, $2 per watt for each watt authorized.

"For every station authorized to use in excess of 10,000 watts, $3 per watt for each watt authorized."

Broadcasters were quick to point out that they now pay income taxes and other normal levies which other business organizations pay.

They also contended that the graduated tax plan, as proposed by Representative Boylan, would impose an undue hardship on high-powered stations. A 50,000-watt station, of which there are 34, would have to pay $150,000 a year.

Station WLW, which operates with an experimental power of 500,000 watts, would have to pay the Government the prohibitive tax of $1,500,000 a year. A dozen or more other stations have applications pending for similar super-power licenses.

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FCC EXAMINER APPROVES SALE PRICE ABOVE STATION COST

The sale of a broadcasting station for a price in excess of the physical value of the property is not an assertion of ownership of a frequency and is not a violation of Section 301 of the Communications Act, according to an interpretation by Examiner Melvin H. Dalberg of the Federal Communications Commission.

Recommending approval of the application of Charles H. Gurney to sell controlling stock in WNAX, Yankton, S. D., to the South Dakota Broadcasting Corporation, Examiner Dalberg said:

"Section 301 of the Communications Act of 1934 provides for the use but not for the ownership of frequencies for communication by licensees of the Federal Communications Commission. By this provision Congress has provided, and the courts have so held, that a licensee may not assert any control over a frequency as against the regulatory power of the Commission (Nelson Bros. Bond and Mortgage cases). It is not believed that the sale of the stock of a licensee corporation at a price in excess of the actual physical value of the property used in broadcasting is an assertion of any ownership of a frequency as against the Commission.

"There appears to be no provision in the Communications Act of 1934 which gives the Commission jurisdiction to deny an application for approval of a stock transfer upon consideration growing out of a per share price paid for the stock of the corporation only. It seems to be clear that Section 310(b) of the Act invites the Commission's consideration to the matter of public interest and excludes contractual consideration between the parties from the matters confided to the Commission except insofar as the price paid might affect such interest in relation to the service of the station. This approval may be granted within the purview of Section 301 and 310 of the Communications Act of 1934 and of Rule 103.18 and of the Regulations of the Commission and it is believed that the granting thereof will serve the public interest, convenience and necessity."

The report discloses that Mr. Gurney acquired the entire issue of Class A non-voting stock in the station for $150,000. Of the 500 Class B voting stock, he held 428 because of his holdings in the House of Gurney, which originally owned the station properties. Thereafter he acquired 22 additional shares at a cost of $100 a share. He had an option to purchase the remaining 50 at the same figure.

The proposed sale price is $200,000 or at the same rate of $100 a share.

Another proposed transfer of ownership was recommended for approval by Chief Examiner Davis G. Arnold. It involved KGRV, of Weslaco, Texas.

The sale price is $54,000, and the value is explained in the report as follows:

"The original cost of all the equipment proposed to be sold and transferred in connection with the sale and transfer of the stock of the corporation is shown to have an original cost of $50,494.49. Depreciated value is placed at $47,443.38 and the replacement cost is shown to be $55,943.61."

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ICKES' BROADCAST TO BRITAIN HIT IN HOUSE

The recent broadcast of an address by Secretary Ickes directly to the English people via the British Broadcasting Corporation system brought repercussions in the House this week as it suggested new possibilities for American statesmen interested in world affairs.

The speech was assailed by Representative Taber (R.), of New York, because it ignored the customary diplomatic channels used when one government communicates with another. Congressman Taber called upon President Roosevelt and Secretary Hull to state whether or not they approved or inspired the talk, which was an attack both on fascism and communism.

While novel to this country, the broadcasting of similar addresses by other countries has been going on ever since short-wave transmission became widespread. Italy, Germany, France, and recently Great Britain broadcast talks directly to foreign countries, in the language of the country receiving the broadcast.

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THREE CITIES REFUSED ADDITIONAL RADIO OUTLETS

While Examiners are weekly recommending new broadcasting stations for small towns and cities throughout the country, Examiner John P. Bramhall this week filed an adverse report with the Federal Communications Commission on four applications for new stations in three large cities.

The applicants sought facilities in Detroit, Pittsburgh, and Chattanooga. All except one asked for 1120 kc. The Examiner pointed out in each instance that the applicant had failed to establish a need for additional service in the city.

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RMA URGES INDUSTRY TO FIGHT EXCISE TAX ON RADIO

Continuing his fight on the 5 percent excise tax on radio receiving sets and equipment, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, this week enlisted the support of the entire industry in a move to persuade Congress to drop the tax from the pending general tax bill.

In a letter, urging that interested parties write to their Senators and Representatives, Mr. Geddes said:

"Your action, now, is needed in the immediate effort before Congress by the entire radio industry - manufacturers, dealers, distributors, and also broadcasters - to relieve radio from the 5 percent Federal excise tax on receiving sets, etc.

"You are earnestly requested to write letters to your two U.S. Senators and also your Representatives, and immediately, urging repeal of the radio tax, or at least its substantial reduction. If the whole industry acts vigorously, results will benefit everybody in radio and also the consuming public.

"The Radio Manufacturers' Association has opened a vigorous campaign in Congress to completely repeal the 5 percent radio excise tax (or, if repeal is not now possible, to at least reduce the rate to 2½ or 3 percent), for the following major reasons:

"(1) Radio, because of its universal public service and use, should, like the press, be free of any tax burden.

"(2) Radio is a greater medium of mass communication than the press, and the radio tax burdens this great public agency and service, which should be tax exempt, to develop its maximum public usefulness.

"(3) Radio today is a universal necessity in modern American life, 45,000,000 in use, many millions more than automobiles (taxed only 3%), or telephones.

"(4) What might have been deemed a semi-luxury a few years ago is today the most universally used necessity, in peace or war or nationwide importance; for public information, education, entertainment, culture, religion, civic, political, and enlightened citizenship.

"(5) Repeal of excise taxes, of $25,000,000, is proposed by the House Committee and Treasury Department in the pending tax revision bill - and on unquestionable luxuries, including furs, sporting goods, chewing gum, cameras, and cosmetics - several entailing more revenue loss than the annual radio tax of about $6,400,000.

"(6) Repeal of the radio tax should be given first consideration in the excise tax revision of Congress - and prior to any luxuries.

"(7) The radio tax is a special, selective, discriminatory 'nuisance' tax. Its repeal would take a burden off radio's service to the consuming public, increase sales of dealers and distributors, as well as manufacturers, increase broadcast listeners, and provide an immediate needed business stimulus.

"The House tax revision bill soon will come before the House and later the Senate. You are earnestly urged to write letters immediately to your U. S. Senators and Representatives of your district and State, to assist the entire radio industry in its effort to make radio tax free. Your cooperation will be appreciated."

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WLW LOSES APPEAL FROM PAYNE ORDER FOR HEARING

The Federal Communications Commission this week denied a petition for review of the action taken by Commissioner George Henry Payne in designating the application of WLW, Cincinnati, for renewal of its 500 kw. license for a hearing.

This means that a hearing will be held, probably before the full Commission, at an undesignated time.

Attorneys for Powel Crosley, Jr., owner of Station WLW had challenged the order of Commissioner Payne on the ground that a single Commissioner could schedule a hearing before the Commission en banc. Commissioner Payne had acted while in charge of routine matters under the new revolving set-up instituted by Chairman Frank R. McNinch.

Messrs. Payne and Crosley have been at odds for more than a year following an altercation over WLW accounts at a general broadcast hearing.

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The High Court of Australia, in a judgment delivered not long ago, held that the broadcasting of races as seen from outside a race course does not interfere with the rights of the racing club. Therefore, it refused the application made by a racing club for an injunction to restrain a commercial broadcasting station from making such broadcasts. The decision, which is considered one of the most significant in the history of radio broadcasting in Australia, has been received with much satisfaction in radio circles.

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FREE RADIO TIME IN ELECTIONS URGED BY KNOX

Frank Knox, Chicago newspaper publisher and 1936 Republican candidate for Vice-President, this week suggested that political candidates be allowed free time on the air during election campaigns.

The proposal, he pointed out, would eliminate one of the most expensive items on a political budget, but he did not observe that it would take away a very lucrative income from broadcasting stations. The Knox plan would apply only during presidential years and "near election time".

Broadcasting stations now give political parties free time frequently for airing their views over the air, but during election campaigns they are forced to charge candidates and their supporters on account of their large number.

Broadcasters pointed out that if the Knox plan were adopted they would be besieged by applicants for time and would have little or no time left for commercial programs, which support the stations.

Speaking at Des Moines, Ia., at a Republican rally, Mr. Knox proposed a limitation of $1,000 on national campaign contributions. Regarding radio costs, he said:

"What I have in mind is the cost of radio broadcasting. It has already become very nearly the largest single item in the expense of a campaign. Radio, in a sense, is a natural monopoly. Each station uses a certain wave frequency. It is granted the right to this frequency, and is protected in its enjoyment of it, by the Federal Government, representing all the people.

"Why not, as a partial compensation for this privilege, require that, near election time, both great parties be allowed, without expense, an equal amount of time on the air, to the end that both sides of all issues be fairly and adequately presented to the people? Minor parties should, of course, be treated with proportionate consideration."

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AMERICAN RADIO REVIEWED IN SPECIAL BBC EDITION

A rather comprehensive picture of broadcasting in the United States is given in the February 11th issue of World-Radio, just received in this country. The publication is a weekly organ of the British Broadcasting Corporation.

Signed articles by Lenox R. Lohr, President of NBC; William S. Paley, President of CBS; and W. E. MacFarlane, of the Mutual Broadcasting System, are included in the resume. Another article is devoted to President Roosevelt's fireside chats, and still another to television developments in the U.S.

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COLUMBIA TO MAKE STUDY OF RADIO AS EDUCATIONAL MEDIA

A broad study of radio in relation to education was ordered this week by Columbia University with the appointment of a committee of seven by Dr. Nicholas Murray Butler, President.

The task of the Committee, an announcement said, is "to consider all phases of radio with reference to courses of study, to broadcasting on the part of the university, or any groups or parts of it, and to the relation of radio to the educational services of the university."

The Committee is composed of Dean Carl W. Ackerman of the School of Journalism, Chairman; Provost Frank D. Fackenthal, Dean Herbert E. Hawkes of Columbia College, Dean Virginia C. Gildersleeve of Barnard College, Dean George B. Pegram of the Graduate Faculties, Dean William F. Russell of Teachers College and Dean Joseph W. Barker of the School of Engineering.

"The appointment of this Committee marks the culmination of many years of interest, experiment and study of the radio on the part of individual members of the university", Dr. Butler said. "In both the scientific and the educational development of wireless communication and radio broadcasting, Columbia University has been represented by members of the several faculties and alumni.

"Radio today is the most important instrumentality of public communication. It may well be as valuable to the people as an agency for the diffusion of knowledge as it is today in the distribution of information and in spreading appreciation and understanding of the cultural and industrial arts.

"Radio today is related not only to the future of our domestic institutions but to world peace and progress. The hourly international short-wave broadcasts by the several governments of the world present a world-wide problem in education. This activity is a challenge to the ingenuity and to the resourcefulness of all institutions functioning in the field of liberty.

"It is my hope that this Committee will obtain the advice, the assistance and the cooperation of all individuals and groups within the university, the radio industry and among the many public bodies, to the end that a fundamental and continuing policy may be developed to augment the educational and the public services of the university."

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TRADE NOTES

A national agreement, granting sole collective bargaining rights to the United Electrical, Radio and Machine Workers of America, a C.I.O. affiliate, in all plants of the General Electric Company in which the union is designated as majority representative, has been worked out by the company and the C.I.O. group. The contract, the first entered into by General Electric with any union on a national basis, will become operative in five plants with 27,000 employees as soon as it has been ratified by the C.I.O. unions in the General Electric system.

Construction permits for two new stations at Aurora, Ill., and Atchison, Kans., were recommended to the Federal Communications Commission this week by Examiners. The applicants are Martin O'Brien and Carl Latenser, respectively.

At a luncheon session of the Inland Daily Press Association convention last week, William J. Cameron of Ford Motor Company, explained how his criticism of impertinent advertising on radio had resulted in his appearance on the Ford Sunday Evening Hour. He remarked that advertising is not generally considered impertinent in newspapers, while radio's "anxious, persistent, insistent, unmannerly salesmanship is an affront which radio announcers should be the first to feel."

Denial of the application of the Young People's Association for Propagation of the Gospel, Philadelphia, for a radio station permit was recommended to the Federal Communications Commission this week by Examiner Melvin H. Dalberg on the ground that the broadcasts would be limited to a single religious sect.

According to the office of the American Commercial Attache, Paris, statistics published in the trade press indicate that 4,099,404 radio receiving sets were registered in France on December 1, 1937, Of this amount, 1,577,460 were in the Paris region.

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TELEVISION WON'T REACH FARMER, SAYS RAMSDELL

What will television mean to the farmer? Nothing at all at the start, declares Sayre M. Ramsdell, Vice-President of Philco Radio and Television Corporation. "Unless", he adds, "television is withheld until visual broadcasting can properly cover the country, which is unlikely."

"The public introduction of television is still quite a way off", Mr. Ramsdell said. "However, there are indications that it may be introduced prematurely because of the impatience of one company or another now working on television to be first in the field. I say prematurely from the point of view of television broadcasting and not of receiving sets.

"At present, the maximum range of a television program is about 25 or 30 miles. By the time television is likely to be offered to the public in what I call a premature state, the range may very well be 50 miles."

That, explained Mr. Ramsdell, is why television will have very little effect with the farmer. "There must be stations for television, and as no network systems will be possible at the start, the cost of broadcasting will be tremendous", he says. The cost of building even a moderate number of stations would take millions of dollars alone. All this cost will have to be borne by the television industry because there will be no commercial value in a station until there is further development in coverage."

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FORMER N.C. GOVERNOR BOOMED FOR NAB JOB

There's a boom for former Gov. O. Max Gardner of North Carolina as paid President of the National Association of Broadcasters, according to Frederic William Wile, Washington columnist.

"The fact that the one-time Tarheel executive hails from the same neck of the woods as Chairman McNinch of the Federal Communications Commission is supposedly one of Gardner's chief claims to eligibility for the broadcasting job", "Mr. Wile wrote. "Since leaving office at Raleigh in 1933, he has been active at Washington as counsel for the cotton textile and rayon industries. The ex-Governor rates as having an inside track to the White House, because he was an original Roosevelt man in Dixie."

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McDONALD LAUDS DOMINICAN GOVERNMENT

In view of recent discussions in the press concerning the administration of President Trujillo of the Dominican Republic and of events in that country, Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, now on board the yacht "Mizpah" in the harbor of the Caribbean Republic's capital city, has sent the following radiogram:

"At the cathedral we were received and personally conducted by the Archbishop with the Secretary of State and the Secretary of the Interior. Using the third key the Archbishop opened the tomb of Columbus and displayed to us the container of the remains of Christopher Columbus. This tomb is ordinarily opened only once a year.

"The Archbishop is to be our guest for lunch tomorrow and President Trujillo is to be our guest for dinner tomorrow evening. President Trujillo is well called the benefactor of the Dominican Republic. With only $10,000,000 a year he has done marvels. His Republic is an example of friendliness and good order. His people worship him. He has been President eight years and his people are imploring him to run for a third term. He should. I have talked with the natives. They all worship this man who is efficiency personified. The exaggerated stories of Dominican conditions should be ignored. They have a modern government here."

From Santo Domingo the "Mizpah" will proceed to a number of Caribbean ports including the penal colonies of French Guiana, where Dr. Leonarde Keeler, head of the Crime Detection Laboratory of Northwestern University, a member the party, intends, with the permission of the French Government to make some experiments with the lie detector.

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No. 1104

March 1, 1938.

BAN ON RADIO LIQUOR ADS PROPOSED IN BILLS

The broadcasting of any advertisements of alcoholic beverages would be prohibited under provisions of identical bills introduced in the Senate and House this week.

The measures were sponsored by Senator Johnson (D.), of Colorado, and Representative Culkin (R.), of New York. They were referred to the Senate and House Interstate Commerce Committees.

Proposing to amend the 1934 Communications Act, Section 316, the amendment is tacked on to the provision outlawing the broadcasting of information on lotteries. The new section reads:

"(b) No person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person operating any such station shall permit the broadcasting of, any advertisement of or information concerning any alcoholic beverage, if such advertisement or information is broadcast with the intent of inducing the purchase of any alcoholic beverage.

"(c) Any person violating any provision of this section shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than one year, or both, for each and every day during which such offense occurs."

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ASCAP SUIT MAY BE DROPPED, CUMMINGS SAYS

The three-year-old suit of the Justice Department against the American Society of Authors, Composers, and Publishers may be dropped shortly, Attorney General Cummings has informed Senator Wheeler (D.), of Montana.

A letter, made public by Senator Wheeler, stated that efforts of the Government and ASCAP counsel to stipulate the facts in the anti-trust suit, as suggested by a trial judge, had been fruitless.

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U.S. SEEKS TO COUNTERACT EUROPEAN PROPAGANDA

Somewhat tardily, the United States is turning its attention to the broadcasts of political propaganda that European nations, notably Germany and Italy, have been pouring into South America via short-wave radio transmissions.

With the backing of President Roosevelt himself, an Inter-departmental Committee was at work this week preparing to make a study of international broadcasting with particular reference to the Latin Americas.

Chairman Frank R. McNinch was elected Chairman at the first meeting, and other sessions will be held shortly although a meeting scheduled for Monday night to set up sub-committees was postponed.

Other members of the Committee are:

Attorney General Homer S. Cummings; Harvey B. Otterman and George H. Butler, of the Department of State; Roy North, Deputy Third Assistant Postmaster General; E. K. Burlew, Administrative Assistant to the Secretary of the Interior and John Ward Studebaker, Commissioner of Education; Leslie A. Wheeler, Chief, Division of Foreign Agricultural Service, Bureau of Agricultural Economics, and E. N. Bressman, Special Adviser to the Secretary of Agriculture; Dr. Alexander V. Dye, Director, Bureau of Foreign and Domestic Commerce, of the Department of Commerce; and Warren Lee Pierson, President of the Export-Import Bank.

Chairman McNinch said that the Committee will report its findings directly to the President.

One of the objectives of the study is to work out a cooperative program for the United States and Latin American countries to use the Pan American frequencies for an exchange of good-will broadcasts.

These frequencies were allocated on February 1st to the World Wide Broadcasting station, W1XAL, of Boston, and the General Electric Company, for W2XAD and W2XAF, Schenectady. It was stated at the time, however, that they should be available for Government use.

Pan American broadcasts and a Government-owned Pan American short-wave station in Washington were envisioned as long ago as 1932 at a Pan American Conference in Montivedeo. At that time a resolution was adopted proposing the station, and the President subsequently set aside the frequencies by Executive Order.

For reasons never fully explained the plan was never put into effect, however, and one of the waves was lent to the Columbia Broadcasting System.

Commissioner George Henry Payne stirred the matter up last year, and Representative Celler (D.), of New York, introduced a bill to establish a Pan American Government-owned station, as originally planned.

Because of the necessity of acting quickly to forestall the possible loss of the frequencies at the Cairo Radio Conference, the Administration decided to lend them to private broadcasting organizations already equipped to use them. Hence the February order.

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UNIFORM ACCOUNTING SYSTEM READY BY MARCH 9

A uniform accounting system for all broadcasting stations is being prepared by the Chief Accountant of the Federal Communications Commission, Chairman Frank R. McNinch disclosed this week and will be ready for Commission consideration by March 9th.

"Only through adoption of such a system", Chairman McNinch said, "can the communications industry or the public have any dependable and comparable financial data."

He added that all licensees will have an opportunity to criticize the proposed system and offer suggestions before the final order is adopted.

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WOULD GRANT ZENITH TELEVISION LICENSE

Examiner Hill has favorably recommended that the Federal Communications Commission grant a television license to the Zenith Radio Corporation of Chicago.

Counsel in this matter for the Zenith Corporation was Irving Herriott, of Chicago.

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SUPER-POWER HEARINGS SET FOR MAY 16; U.S. PLAN RUMORED

Public hearings on the highly controversial super-power issue have been scheduled by the Federal Communications Commission to begin May 16th. Fifteen stations, in addition to WLW, Cincinnati, which is now operating with an experimental license, are asking for permits to broadcast with 500,000 watts.

Present indications are that the FCC will continue to shy from the issue and at least will postpone its final decision for some time in view of the general hostility in Congressional circles to super-power on the ground that it will put smaller stations out of business.

The WLW case itself will attract considerable attention, both in and out of the industry, because of the year-old feud between Powel Crosley, Jr., owner of WLW, and Commissioner George Henry Payne, who recently designated Mr. Crosley's application for renewal for hearing while he was acting as a one-man Commission.

Meanwhile rumors were current in Washington that Cabinet members are toying with the idea of proposing super-power governmental broadcasting stations which would be used to carry programs now put out by U.S. agencies over commercial networks.

Martin Codel, publisher of Broadcasting, declared in the March 1st issue that the idea is still in the "thought stage". Power of from 500,000 to 1,000,000 watts has been suggested, he said, for use on clear channels.

Secretaries Ickes, Wallace and Morgenthau are said to be behind the move as their Departments are among the largest users of radio time. Chairman Frank R. McNinch, of the FCC, refused to confirm or deny the report.

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Treasury collections last January of the Federal 5 percent excise tax on radio and phonograph apparatus declined 46 percent compared with January, 1937, taxes. Total collections last January were $367,742.97, against $683,578.06 in January, 1937, and reflects the layoff of about 40 percent radio factory employees, reported by the Department of Labor, last November and December. Excise tax collections on mechanical refrigerators last January were $463,424.49, against $392,886.01 in January, 1937.

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NAB LOOKING FOR "BEST QUALIFIED MAN" IN U.S.

The reorganized National Association of Broadcasters is looking for "the best qualified man in the United States" to offer the job of paid President, Mark Ethridge, Temporary Chairman of the Board of Directors, stated in a letter last week to the NAB members.

Discussing the present status of the trade association, Mr. Ethridge said:

"We have persuaded Philip G. Loucks, former Managing Director, to act as Special Counsel to the Board of Directors until the next meeting on March 21st. He will see that the routine functions of the Association are carried on from day to day, and has been requested to report at the next meeting of the Board on several problems carried over from the convention. You will receive from the Washington headquarters, reports on decisions as they are made, as well as information pertinent to the industry.

"All members are concerned, and rightly so, with the necessity of attracting to the NAB as its President, the best qualified man in the United States. Numerous suggestions have been made and an extensive investigation is now being conducted by your Board. We assure you that action will be taken as soon as the right man has been found and the details of the office have been worked out with him.

"We have quite a distance to travel before your Association is in a position adequately to cope with the problems before it. We must have your support if we are to succeed. We need your financial help. We need new members. We need a united industry. We are moving with as much speed as good judgment dictates. We wish to have your cooperation and your patient consideration of the task we have before us."

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WOR's Sales Promotion Department received the annual award for the best series of advertisements distinguished by excellence of layout, art and typography last week at the Awards dinner held in the Waldorf Astoria Hotel, New York. The advertisements were written by Joseph Creamer, Sales Promotion Manager of WOR. The annual awards are sponsored by the advertising publication, Advertising and Selling, and it is said to be the first time that the award has been given to a radio station.

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RCA NOTES TELEVISION PROGRESS IN PAST YEAR

While noting substantial progress in television experiments, the Radio Corporation of America in its annual report to stock-holders this week did not predict when visual broadcasting may be on the market.

Commenting on RCA's contribution to the progress, the report said:

"Improvements in the RCA system of television in 1937 took place both in the laboratory and in field tests under actual operating conditions.

"Engineering studies and investigations of the requirements of a practical television system have already led to a ten to twelve-fold increase in sensitivity of the Iconoscope - the electric eye or pick-up tube - and its associated equipment. This improvement makes possible the reception of clearer and larger images and extends the possibilities of television programs.

"RCA developed mobile television units during 1937, for pick-up of outside scenes remote from the studios. NBC will use these units in the present year to augment its knowledge of television program technique gained through having staged about 130 studio demonstrations. Approximately 250 artists, musicians and personalities participated in these demonstrations.

"Significant advances were made in 1937 toward determining the fundamental standards for an American television system to meet the requirements of our nation, with a territory of 3,000,000 square miles and a population of 130,000,000 people. Our experiments with television in the past 18 months improved the system by increasing its capabilities and efficiency, thus enabling it to move closer to the inauguration of a television service for the American home."

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A construction permit for a new broadcasting station at Fayetteville, N.C., was recommended to the Federal Communications Commission this week by Examiner P. W. Seward. The applicants, W. C. Ewing and Harry Layman, asked for an assignment on 1340 kc. with 250 watts, daytime.

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WHAT A BRITISHER THINKS OF U.S. BROADCASTING

The average Englishman admires the "sparkle" in American broadcasting, but there are some things that he doesn't like, according to an unsigned article in a recent issue of World-Radio, British Broadcasting Corporation weekly. The article, written by an Englishman who lives in New York, follows, in part:

"What do I think of American broadcasting? There is too much of it, far too much.

"There are more than 600 transmitters operating in the United States. The larger ones are required by the terms of their licenses to remain 'on the air' - it is a question of endurance both for the broadcasters and the listeners - eighteen hours a day. It is easy to see how difficult a task dialing has become in traversing such an aural labyrinth. Accustomed to a breathing-space between programs, an English listener finds himself wondering sceptically. Can there exist, or occur, even in so vast a country, a great enough number of human beings, or Acts of God, to furnish program material for such an unremitting barrage? What chance can there possibly be of retaining any sense of order or balance as between the countless programs?.....

"With this sort of compulsion behind it, the American microphone therefore thrusts in everywhere, from the President's study in the White House to hospital surgeries in which 'interesting' operations actually in progress have been described for the lay listeners. Nothing seems sacred from the questing microphone. With a ruthless ideal of coverage, it ranges through almost the whole of human activity and then on into illimitable Nature. Broadcasters, concentrating their efforts in the competitive search for material to broadcast, have little time to contemplate any of the ultimate effects of their activities. They are forced to leave it pretty much to listeners to discriminate between the ridiculous and the sublime. Clashing contrasts are the result: the minute shattering sounds of a farmyard chick breaking out into the world from its shell; then a solar eclipse, described romantically from a desert island in the Pacific and again, making for lavish completeness, from a mountain-top in Peru; the detonations are heard from dynamite charges eighty feet below Radio City as the New York municipality constructs a new subway; the splendors of the Aurora Borealis are detailed from the MacGregor Expedition at the North Pole, or a description given from a balloon of the violet semi-darkness of the stratosphere.

"An abundance is thus provided, and then dumped indiscriminately into the living-rooms of countless American homes via the loudspeaker. Even as one admires the insatiable persistence, the willingness to experiment, the bright vigilance and verve necessary to achieve this sort of a radio picture, the question cannot be answered as to how any due proportion and harmony can be got into the composition, or of how any intelligent control can possibly be exercised over the colorful elements. Meanwhile the non-American would-be listener in search of a particular program often finds himself looking for a needle in a haystack. An English listener, so sure of what he can or cannot

hear at home, almost shrinks from trying his fortune in the lucky dip of American radio.

"There is a vitality of its own in the frankly personal quality which all the conditions of American broadcasting encourage. The feeling has been retained that broadcasting after all is still pretty wonderful and a lot of fun. Those who can do it best - whether amateur or professional matters not at all - become national figures. Even the news commentators are star performers, welcomed into the home each evening for their personal qualities as much for the tidings they may bring. An American tourist on board a vessel lying off Malaga heard shots, saw explosions caused by bombing 'planes.

"'We knew something awful was going on', she related, 'so we spent the whole night in the ship's radio room trying to get Lowell Thomas so we could really find out what had happened.'

"Similar faithfulness to their favorite broadcasters causes many Americans to time important engagements so as not to miss Amos 'n' Andy.

"I find I have down on my notes an emphatic minus against certain announcers, masters of ceremonies, and others who, I suspect, try too hard to live up to the description of broadcasting which aspirants to announcing positions were once given. The mentor of these young hopefuls was Floyd Gibbons, who had become one of broadcasting's fastest talkers. 'Radio', he said, 'is a whirling, swirling, rushing, tumbling show, a fascinating, stimulating battle.' This he would proceed to demonstrate by talking so fast that one unaccustomed to his machine-gun delivery could not possibly understand him! Sports commentators, in their efforts to follow out this conception too closely, have upon occasion verbally knocked down the wrong heavyweight, or begun excitedly shouting, 'He's down, folks! He's down!' but leaving listeners in the dark as to which of the gladiators was being referred to.

"Another minus must be recorded for the microphone manliness of a certain type of announcer, particularly when the fulsome, chesty tones enunciate, with unconvincing friendliness, a commercial 'plug'.

"Ordinary news bulletins remain dull, even when attempts are made to 'pep them up' by reading them excessively fast and interjecting telegraph sound effects and occasional 'flashes'. On the other hand, if radio in routine news runs a poor second to its older rivel, the press, it often outdoes the journalists in its immediate coverage of news 'breaks'. Through the development to a much greater extent than in England of short-wave pack transmitters, radio links are established by the American broadcasters, with their almost incredibly ingenious and resourceful staffs, with remarkable speed wherever they may be needed - in Spain, in Ethiopia, in the Far East - wherever news is breaking. They are greatly assisted, of course, by the gratifying absence of red tape.

"Those who would have broadcasting in this country emerge upon a higher level than mere showmanship have really no effective answer to these commercial, superbly managed variety shows.....As one who has listened, I want to say again: one can forgive it many of its faults for its sparkle and initiative and for its crisp reflection of contemporary American life."

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WOV AND WPG ASK FULL TIME; POWER INCREASES

An allocation problem that has disturbed the Federal Communications Commission for the last three years popped up again this week with the filing of applications by Stations WOV, New York, and WPG, Atlantic City, for full time and 5,000 watts power.

Should the FCC grant the applications, WBIL, of New York, formerly owned by the Paulist Fathers, would be taken off the air. The station is now owned by Arde Bulova, watch manufacturer, who owns WOV also.

Under the new proposal, WPG would shift from 1100 to 1130 kc., while WOV would move from 1130 to 1100 kc.

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TELEVISION THREE YEARS OFF, SAYS PHILCO OFFICIAL

Although a large market is awaiting the advent of television on a public scale, it is still at least three years off, according to Harry Boyd Brown, Merchandising Manager of the Philco Radio & Television Corporation, Philadelphia.

Speaking to the New York Advertising Club last week, Mr. Brown said that 8,000,000 persons are eager for television sets.

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COLUMNIST RAPS RADIO STATIONS TAX PROPOSAL

Foreseeing the danger that newspapers might be next in order if the Boylan Radio Station Tax Bill were enacted into law, David Lawrence, Washington columnist, attacked the proposal in a syndicated article this week.

"Freedom of the press has become recognized as a guarantee established by the Constitution", he wrote, "but freedom of the air apparently has yet to run the gauntlet of arbitrary restriction before court decisions will permanently restrain those legislators of bureaucrats who would tamper with broadcasting.

"The issue comes up in a novel way. It now is proposed by the administration to levy a tax on broadcasting stations, with the assessment graduated upward in accordance with the number of watts of power used. This is but another way of saying that the stations with large circulation or listener audience shall pay more than those stations reaching smaller audiences by reason of their limited range of transmission.

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"Such a form of taxation, popularly known as 'the Huey Long tax' is the same sort of thing which the State of Louisiana tried when it passed a law declaring that, in addition to all other forms of taxation, the newspapers with a circulation in excess of 20,000 copies should pay a license tax of 2 percent on gross receipts for the privilege of engaging in business.

"The Supreme Court of the United States ruled in an unanimous opinion on February 10, 1936, that this tax was a limitation on the freedom of the press. Radio is admittedly today a form of transmitting knowledge to the people, in fact some public officials contend it is more far-reaching than other instrumentalities because of its mechanical advantages for instantaneous communication. But, however that may be, radio broadcasting is considered by almost everybody nowadays one of the major means of imparting knowledge and hence, it will be contended, should be as immune from interference as is the press.

"Some confusion has arisen because the radio companies get their wave lengths assigned to them by the Federal Government and from this it has been erroneously assumed that the Government can do as it pleases about regulating or imposing taxes on radio broadcasting. But the falsity of such an assumption is apparent from a legal viewpoint, at least when it is realized that newspapers and magazines obtain and pay fees for second-class mail privileges also derived from the Government, but this doesnot in any way authorize the Federal Government to exact a larger charge or fee from publishing companies of larger than smaller circulation for carrying a single copy through the mails. There has never been any such discriminatory tax on size of circulation, and if the principle of a graduated tax, based on size of listener audience, is ever upheld by the courts with respect to radio stations, it would seem that newspapers and magazines would thereafter be vulnerable from the same Federal taxing power."

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RCA REPORT SHOWS $9,024,858 NET PROFIT

The 18th annual report of the Radio Corporation of America, released last Saturday to nearly a quarter of a million stockholders, hows a net profit for the year 1937 of $9,024,858.13. (The preliminary estimate of profit published on February 8th was $9,000,000.00.) This represents a profit margin of 8% on a gross income of $112,639,497.78 derived from the corporation's activities in the fields of communications, broadcasting,manufacturing and radio research.

RCA's 1937 dollar volume was up 11.3% from the 1936 figure of $101,186,309.90. Operating costs increased 8.4%. The net profit increase over the previous year's figure of $6,155,936.72 was 46.6%. The total of taxes paid or accrued

by the corporation during 1937 amounted to $4,297,500, exlusive of Federal excise taxes. Of this amount $2,117,300 represents provision for Federal income taxes, and $2,180,200 payments of Social Security, State, local and other taxes.

During the year RCA stockholders received a total of $6,409,226.30 in dividends. This sum included regular quarterly dividends on the convertible first preferred stock, all dividends in arrears on the remaining shares of "B" preferred stock, and a dividend of 20 cents a share paid to holders of common stock.

RCA's report to its stockholders, signed by Gen. James G. Harbord, Board Chairman, and David Sarnoff, President, is a 24-page booklet. The consolidated balance sheet and profit-and-loss statement, together with explanatory comments, occupy only six pages. The remainder of the booklet is devoted to information concerning the corporation's manifold activities in all fields of radio, with particular reference to progress made during 1937.

Mr. Sarnoff also announced that quarterly dividend number eight on the outstanding shares of the Corporation's $3.50 Cumulative Convertible First Preferred stock, and a quarterly dividend on the outstanding shares of "B" Preferred stock, were declared at the regular meeting of the Board of Directors.

The dividend on the First Preferred stock, covering the period from January 1, to March 31, 1938, is 87½ cents a share, and is payable on April 1, 1938, to holders of record of such stock at the close of business on March 9, 1938.

The dividend on the "B" Preferred stock is for the period from January 1 to March 31, 1938, and amounts to $1.25 per share. This dividend is payable to holders of record of such stock at the close of business March 16, 1938.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1105

ZENITH PLANS BROAD RESEARCH IN TELEVISION FIELD

An extensive research program which will be aimed at putting television on a practical scale will be conducted by the Zenith Radio Corporation, of Chicago, if the Federal Communications Commission grants it a permit for a visual broadcasting station.

Details of the plan were disclosed this week by Examiner George H. Hill in a report recommending that Zenith be given the permit to conduct experiments on 42,000-56,000 and 60,000-86,000 kc. with 1 kw. power, unlimited time.

Results expected from the research, according to the Examiner, "are the acquiring of sufficient information necessary for the production of a transmitter, a receiver, and associated equipment capable of rendering reliable, high quality television service."

The report describes Commdr. E. F. McDonald, Jr., President of the Zenith Corporation, as "one of the pioneers in short-wave radio, both in transmission and reception", and calls attention to his operation of a radio station, WJAZ, in the earlier twenties. The Examiner cites the sound financial condition of Zenith and expresses confidence that it will be able to construct the station and conduct the experiments although no estimate of the cost was given by the applicant.

Commander McDonald, aided by Irving Herriott, counsel, appeared before the Examiner last Fall in behalf of the application.

"The applicant has been actively engaged since January, 1937, in the development of important parts of the television transmitter and receiver such as sweep circuits, synchronizing signal generator and television amplifiers", Examiner Hill said. "The proposed transmitter is completely designed for and will be capable of modern high definition television, using all electronic methods. The pictures will be composed of 441 lines, sixty frame interlaced.

"The television development program of the applicant calls for research and experimentation in television transmitter, transmitter antenna, the transmission medium, television receivers, and receiver antenna. Television service has certain requirements peculiar to it which are not met in ordinary radio transmission in that the television signal must carry not only the intelligence, but also the synchronizing signals.

These signals have requirements in their relation to each other, and for this and other reasons, the five divisions referred to are not always entirely distinct from each other so that research must generally proceed along all lines which involve several of these subjects.

"The television transmitter may be considered a composition of several well-defined separate units upon each of which research, experiments and tests will be conducted by the applicant. Several television pickup systems have been developed which are entirely electronic in operation and have reached a fair state of development. Experiments will be conducted with each of these units to determine the comparative sensitivity under all conditions of studio and outdoor use, their respective resolution powers and general adaptability to television pickup work. It is not contemplated that research looking toward the development of a new pickup tube will be undertaken; however, it appears that there are promising possibilities in the field of electronic pickup field equipment and this or any other development of promise would be investigated if necessary or advisable.

"A number of requirements have to be met to successfully pickup live talent in the studio and elsewhere. Tests will be conducted to determine what equipment is best for the maintenance of good optical focus commensurate with ease of mobility of equipment, its performance electrically under conditions of rapid movement, and the electrical output under practical working conditions. . .

"It is the function of the television receiver to translate the incoming signals into useful intelligence, and the receiver must faithfully reproduce in the desired form the received energy. The television receiver must also maintain synchronism exactly at all times with the transmitter. The applicant will conduct a careful study of received transmissions looking toward the development of sweep circuits and synchronizing systems which will be least affected by the various factors bearing on radio transmission, such as possible multipath signals, fading and atmospheric and electrical disturbances. The television receivers will be required to work in locations where there is noise present which could well interfere with synchronism, and it is intended to make careful observations of transmission signals under all the different reception conditions possible.

"It appears that in ultra short-wave reception the type of receiver antenna and its location are very important. It is generally necessary that some type of transmission line be used and that the antenna used with it be carefully located. This is of special importance in television reception where every effort must be made to overcome electrical interference, which is more prevalent in those frequencies assigned to television than any others. The development program for television

receiving antenna calls for the transmission line coupled type. Experimentations and tests will be conducted on directive systems as well as antennas of the half-wave type.

"The applicant believes that one of the principal phases of an experimental television program is the investigation of radio transmission on the ultra high frequencies. The transmitting and receiving antennas represent the terminal connections to the transmitting medium and it appears that much work remains to be done on both. The applicant has manufactured and sold for many years radio receivers which operate on the high and ultra high frequencies, and its experience during this time indicates that present conditions are not satisfactory. The development program of the applicant will lay stress on a complete investigation of antenna systems and to this end all possible types of antenna systems will be used for the purpose of conducting actual field strength coverage surveys."

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N.Y.C. STARTS RADIO EDUCATION TESTS

New York City public schools this week were tuned in on the first of a series of 110 daily radio broadcasts, conducted by the City Board of Education to supplement classroom teaching. Dramatized versions of various subjects were transmitted to 160 elementary schools and 44 high schools.

The teachers, assisted by pupils, are preparing the scripts, which are broadcast over Station WNYC, the municipal radio outlet.

The broadcasts are experimental, school officials said, but if found to be satisfactory, they will be made a regular part of the school curriculum.

At the same time WOR, Newark, announced it is preparing a series of 15-minute educational recordings for distribution by September 15th.

Three such records are completed, prepared in the form of a dialogue between a teacher and an appealing character named "Uncle Henry". All have been tested under actual classroom conditions in various New Jersey schools. Complete fifteen-record sets will cover such subjects as Elementary Science, Art Appreciation, Nature Study, Etiquette and Astronomy.

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RMA CARRIES RADIO TAX FIGHT TO SENATE

The Radio Manufacturers' Association and radio industry campaign to repeal or modify the Federal 5 percent radio excise tax is now being waged vigorously in the Senate at Washington, according to Bond Geddes, RMA Executive Vice-President, following omission of any action on radio in the House general tax revision bill reported March 2nd. Revenue needs of the Government, with the radio tax raising over $6,000,000 annually, was the principal cause for omission by the House Ways and Means Committee of any action on the radio excise tax, Mr. Geddes said. The House Committee report stated that the undesirable "nuisance" taxes "should be removed when possible but unfortunately the revenue requirements of the Government are such that very little revenue can be spared at this time."

Despite the House action, the RMA is leading anew the effort before the Senate Committee, generally regarded as more liberal than the House, for relief on the radio excise tax. RMA members and also distributors, dealers, and broadcasters will now concentrate appeals on the Senate. The RMA will appear before the Senate Finance Committee at its public hearings, scheduled about March 15, and renew the industry's plea for repeal or substantial reduction of the radio excise tax. President Muter of the RMA and A. H. Gardner, of Buffalo, Chairman of the Association's Legislative Committee, are again urging RMA members to write their Senators and for similar action by their distributors and dealers.

Although the House bill failed to include any action on the radio tax, it provided for repeal of excise taxes on such outright luxuries as furs, sporting goods, cameras, and chewing gum. It also added a repeal of the excise tax on matches regarded as a common necessity. Total excise taxes proposed for repeal aggregated almost $30,000,000. In its presentations to the Senate the RMA will contend that radio, through its universal service and use, is entitled to first consideration and, like the press, should be free of taxation.

This position was recognized by the House Ways and Means Committee, and although the radio tax was regarded as too large to be included in this year's repeal program, the RMA campaign in the House developed strong sentiment at least for repeal or termination of the radio tax in 1939.

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RMA CAMPAIGN AGAINST TAX FIGHT IS SEEN

The Radio Manufacturers' Association and radio industry campaign to repeal or modify the Federal 10 percent radio excise tax is now being waged vigorously in the Senate as well as Washington, according to Ford Geddes, RMA Executive Vice-President, following publication of any section on radio in the House General Tax Revision bill reported March 3rd. Everyone should of the Government, with the radio tax raising over $2,000,000 annually, was the principal cause for omission by the House Ways and Means Committee of any section on the radio excise tax, Mr. Geddes said. The House Committee report stated that the uncertainties "substance" taxes "should be removed when possible but were distributed by the revenue requirements of the Government and such a very little revenue can be spared at this time."

Despite the House action, the RMA is leading many the efforts before the Senate Committee, generally regarded as more liberal than the House, for relief on the radio excise tax, RMA members and also distributors, dealers, and broadcasters are will new concentrate appeals on the Senate. The RMA will appear before the Senate Finance Committee at the public hearings, understood about March 15, and renew the industry's plea for repeal or substantial reduction of the radio excise tax. President of the RMA and A. H. Corbaley, of Philips, Chairman of the Association's Legislative Committee, are urging RMA members to write their Senators and for action by their distributors and dealers.

Although the House bill failed to include any excise tax, it provided for repeal of excise taxes on such current luxuries as furs, sporting goods, cameras, and jewelry. It also ended a repeal of the excise tax on passage by a vote of 350 to 47. Total excise taxes proposed for repeal aggregated about $2,000,000,000. In its presentation to the Senate the RMA will contend that radio, through its universal service and low cost, is entitled to first consideration and, like the press, should be free of taxation.

Their position was supported by the House Ways and Means Committee, and although the radio tax was repealed by the House in this year's repeal program, the RMA expects to be included in this year's repeal program. The RMA requests on the House decision rejecting application of the excise tax for repeal or elimination of the radio tax by Congress.

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FCC URGES RADIO AID IN CALIFORNIA FLOOD

The Federal Communications Commission this week called the attention of all licensees of radio facilities in the Southern California flood area of the provisions of Rule 23 of the Commission's Rules and Regulations permitting such licensees, during the period of the emergency, where normal communication facilities are disrupted, to engage in emergency communications beyond and above those authorized by the license.

"This means that a broadcast station may handle messages concerning safety of life and property, amateurs may engage in the transmission of such messages, other stations may communicate with points other than those specified in the license, etc," the statement said.

"During the flood of the Ohio and Mississippi Rivers in February of last year, radio was a very valuable asset in preventing the loss of life and property. It is the desire of the Commission to cooperate in every way possible in making maximum use of radio facilities for assistance in the stricken area. The Commission will give immediate attention to all requests for emergency operation under the provisions of Rule 23."

Meanwhile radio amateurs of the country established communication with Los Angeles as other media failed.

Working through the American Radio Relay League, Inc., of Hartford, Conn., a national system for the transmission of information was organized within a few yours, and an amateur in Denver served as a clearing unit.

The communications' chief for this national network was F. E. Handy at the Hartford office of the organization. Through his efforts thousands of amateurs throughout the United States tried to establish contact with the 2,000 in the Los Angeles area.

In Los Angeles, meanwhile, three coordinators of the amateurs were at work. Their job was to sort out the wave lengths of the 2,000 amateurs and assign a special one to each station, so that the chances of being picked up outside the city would be increased.

The mobilization of the amateurs on short notice is part of a national plan which has been worked out by the League. It is a counterpart of the plans laid out for a smaller organization composed of the Army Amateur Radio League, which is made up of those who have offered their servides and equipment for army service in emergencies.

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PAYNE LAUDS TAX BILL; HEARING NOT YET SCHEDULED

Commissioner George Henry Payne, who drafted the original bill to impose a wattage tax on broadcasting stations, this week came to its defense while Representative Thompson (D.), of Illinois, delayed scheduling a hearing on the Boylan measure until after the House had passed the general tax bill.

Commissioner Payne's defense of the tax proposal was in the form of a letter to the editor of the New York Times. It read in part as follows:

"I believe the bill has the five virtues that should characterize a good revenue measure. The proposed tax is simple, it is easy to collect, it is constitutional, it is fair and the basis for the tax is definite.

"A definite amount of power, in watts, is authorized to every broadcast license issued, and in the great majority of cases the wattage authorized is the measure of the station's value. It is this wattage that is made the basis.

"Previous to the drafting of this bill there had been much discussion of the necessity of taxing radio stations, and one bill drafted in the Federal Communications Commission taxed forty-one articles used by or relating to radio stations. The proposed measure was complicated, trifling in many of its provisions and unfairly distributed, for it applied to non-profit as well as to profit stations. The present measure specifically excludes educational and other non-profit stations.

"I might add that no bonafide special tax measure, such as this bill, has ever been declared unconstitutional by the Supreme Court, for these measures levy taxes on occupations which have been held legitimate bases for taxation from time immemorial.

"Furthermore, most occupational taxes are levied on businesses that receive no direct benefits from the government; that is, no benefits which all of us do not receive. In the case of broadcast stations the frequencies, without which they could not possibly exist, are loaned to them by the government. Broadcasters enjoy a valuable franchise. Broadcast frequencies, as you have stated, are very limited in number, are in great demand and are of immense value."

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THREE NEW STATIONS APPROVED BY EXAMINERS

Examiners at the Federal Communications Commission this week reported favorably on applications for broadcasting stations in New York, Massachusetts and Texas and favored power increases for two other applicants.

Reporting on rival applications for 1240 kc., Examiner John P. Bramhall recommended that it be allowed to Thomas J. Watson, of Endicott, N. Y., and the Hampden-Hampshire Corp., Holyoke, Mass. The application of the Citizens Broadcasting Corp., Schenectady, N. Y., was adversely reported.

The third station recommended was requested by the Sam Houston Broadcasting Association, Huntsville, Texas. It would operate on 1500 kc. with 100 watts power, daytime.

Favorable action also was recommended on applications of WGBI, Scranton, Pa., to increase its power to 1 KW, and of KMLB Monroe, La., to transfer from 1200 to 620 kc., and raise its power to 500 watts.

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JAPAN READY FOR TELEVISION TESTS

The Japan Broadcasting Corporation is preparing to start television test broadcasts in preparation for temporary television broadcasts in Tokyo in July this year, according to a report to the U. S. Commerce Department.

The corporation has been studying television broadcasting, inviting Prof. Kenjiro Takayanagi of the Hamamatsu Higher Technical School, internationally famous authority on television, as chief of the third department of the technical laboratory of the corporation at Kamatacho, Setagaya-ku, Tokyo, and constructing four television motor cars, a temporary broadcasting station, and a laboratory.

As the study was almost completed recently, the corporation has decided to start temporary television broadcasts next July from Kamatacho, with 500 watt power.

"The receiving set, constructed by the technical laboratory of the corporation, will be obtainable at about 1,000 yen", the report stated. "Further study will be made for the reduction of the cost of receiving sets."

Although the area of the received image is 20 to 22 centimeters square, it is said it can easily be enlarged to one-meter square.

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PIONEER IN RADIO FACSIMILE DIES IN N.Y.C.

Dr. Otho Fulton, pioneer in the field of facsimile transmission of pictures and printed matter over radio or wire lines, a leading experimenter in this field for more than twenty-five years, died in New York City this week of a heart attack. He was 70 years old.

A British subject born at Hull, Dr. Fulton came to America about eight years ago to demonstrate his ideas after a series of successful tests made in England and on the Continent, according to the New York Times. He is credited with having been the first to send a picture on a radio channel over great distances. This took place about ten years ago over the Marconi radio beam between London and Sydney, Australia, covering nearly 11,000 miles.

Several years ago Dr. Fulton organized Fultograph, Inc., to carry on the development of his patents here, but principally to introduce his facsimile ideas. Dr. Fulton was the president.

With Dr. E. R. Wagner, a chemist, and Dr. Harold Brown, paper expert, Dr. Fulton in the last six years is said to have developed a special paper for his facsimile apparatus that requires no development after it comes off the receiving machine, but provides a permanent and non-fading record of the matter transmitted.

One of the inventor's basic ideas for the facsimile equipment was an "electro-magnetic clutch" utilized for positive synchronization of the receiving printer with the transmitting stations, whether the connecting link is by radio or wires. It is said that Dr. Fulton was very fond of this piece of apparatus, often referring to it as the heart of the equipment. Through his years of experimental work he clung jealously to this synchronizer, while other experimenters adopted other methods.

Recently, the Times said, he had interested about thirty broadcasting stations of the country in his facsimile machine, and they were regarded as ready to make use of the equipment to project pictures and printed matter into homes when the necessary authority is granted by the Federal Communications Commission. Negotiations also were under way, it was said, between interests here and in Canada to form a link between the countries for the transmission of news matter.

It also was announced that arrangements are being made with Press-Wireless to link New York and South Africa with a facsimile channel, beginning June 1st.

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TRADE NOTES

Arturo Toscanini has made a new three-year agreement with the National Broadcasting Company. Under this arrangement Mr. Toscanini is expected to direct the NBC Symphony Orchestra next season for a longer period than he has this season.

Reports from Addis Ababa announce the opening of a new 1-kw. radio station in the Ethiopian capital on February 1st. A powerful radio station is to be built at Addis Ababa for inauguration next year, according to Reuter, Rome.

Edward Padula, a recent Yale graduate, has joined the television staff of the National Broadcasting Company, New York City, as a production director. Mr. Padula's job will be to generate ideas for future programs and conduct rehearsals in NBC's Radio City television studios.

Designed to eliminate troublesome static interference in auto radio reception, a simple spring device that fits inside the hub cap has been patented by two Flint (Mich.) inventors. The invention, according to Levi R. Grandy and Harry C. Doane, the inventors, grounds the automobile wheel to the frame and prevents an accumulation of static electricity in the wheel.

Stations KSEI, Pocatello, Idaho, and KTFI, Twin Falls, Idaho, will become affiliated with NBC's North Mountain Group on March 15th. The addition of the two stations increases the total number of NBC affiliates to 146.

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BRITISH SET LIMITS ON RADIO INTERFERENCE

A new British Standard Specification has recently been issued concerning the permissible limits of radio interference in the medium and long-wave bands, according to World-Radio.

It is well known that certain types of electrical appliance, such as vacuum cleaners, produce high-frequency currents which may find their way into receiving sets through the supply mains. Certain other types of apparatus and machinery radiate a high-frequency field which may cause interference

if the receiving aerial or down-lead lies within it. The specification, therefore, prescribes limits for the high-frequency voltage produced at the terminals of machines and appliances suitable for connection to public supply mains not exceeding 500 volts; in cases where an interfering field is radiated, the maximum strength of this field is also specified. Limits are also given for the duration and frequency of occurrence of the interference. A special mark is to be registered under the Trade Marks Act, which will be affixed to appliances made by manufacturers whose products comply with the Specification, and who have obtained the necessary license from the British Standards Institution.

"At present, there is no obligation on manufacturers to conform to the requirements of the Specification, but they are strongly recommended to do so, in the interests of broadcast listeners", the BBC organ states. "Furthermore, it is hoped that the public will favor appliances which bear the interference-free mark, and so encourage manufacturers to take the precautions necessary to qualify for it. In some cases a slight re-design of an appliance will suffice to reduce the interference below the specified limits; in others, it will be necessary for the makers to incorporate special suppressors in the appliances.

"The issue of this Specification represents an important step forward in technical discussions which have been proceeding for some years between the representatives of all the interests involved, including the Post Office and the BBC."

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MARKED RISE IN RADIOBEACONS REPORTED

During the past calendar year there has been a substantial increase in the number of radiobeacons available for marine navigation in all parts of the world, according to the U. S.Lighthouse Service. These navigational signals, which were largely pioneered by the United States Lighthouse Service, have found such universal acceptance that they are now provided by all the important maritime nations of the world.

The total number of marine radiobeacons in the world on January 1, 1937, was approximately 380, of which the United States had approximately 33 percent. Similar figures for January 1, 1938, show the total for the world to be approximately 421, with the United States having 30 percent.

The United States Lighthouse Service is now expending considerable effort in improving the effectiveness of its radiobeacons by the addition of distance-finding signals, consisting of synchronization of the radiobeacon signals and the sound-in-air fog signals, such signals now being available at 84 stations, and the equipment of stations is being rapidly modernized for improved service.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1106

March 8, 1938.

FCC POLICIES STATED IN DENYING PRESS OUTLETS

Definite statements of policies against the granting of radio broadcasting facilities to a licensee for a second station in the same community or for an additional station in a city already well served were enunciated late last week in two decisions made by the Federal Communications Commission.

The FCC rejected the applications of the Journal Company, of Milwaukee, and the Mid-Atlantic Corporation, of Washington, for construction permits. Both were for special broadcast stations using 1570 kc. with 1 KW power, unlimited time.

The Journal Company now operates WTMJ, as well as experimental relay, high frequency, television, and facsimile stations. The Mid-Atlantic Corporation was organized by Eugene Meyer, publisher of the Washington Post, and would have been operated in conjunction with the newspaper.

As to the Milwaukee application, the Commission declared:

"The frequencies available for use by stations of the broadcast class are limited, and a grant of an additional station to one who already has a license for a station in the same community should not be made unless it is clearly shown that public interest, convenience and necessity will be served thereby. Milwaukee now has two full-time regional assignments and one local daytime station. In addition, the greater part of the area receives service from stations located elsewhere, duplicating to some extent chain program service available from Milwaukee stations. The need for an additional station in Milwaukee is not such as to warrant the granting of the facilities requested to The Journal Company, at present the licensee of a regional station in that city."

The FCC gave little hope to any of the applicants who have sought to establish a fifth broadcasting station in the Nation's Capital in its ruling on the Meyer application. Among other applicants for a new Washington station have been former Senator C. C. Dill, whose application has been rejected already, the Scripps-Howard Newspapers and Hearst Radio, Inc.

Washington now has four stations, all of which are affiliated with networks. The National Broadcasting Company controls Stations WRC and WMAL, and the Columbia Broadcasting System has WJSV, and the Mutual Broadcasting System sends its programs over WOL.

Said the Commission on the Mid-Atlantic Corporation's application:

"This Commission is required by Section 307(b) of the statute to make such distribution of the limited facilities available for broadcast use as will provide a fair, efficient and equitable service to the several states and communities. The City of Washington now has four unlimited time regional stations and receives some additional service. In the interest of providing service to communities and states where definite need will be found to exist, this Commission cannot fail to comply with the clear and mandatory requirements of the statute. There is no need shown to exist at this time for an additional broadcast station such as that proposed for Washington."

A stand similar to that taken in the Milwaukee case was assumed by the Commission in rejecting an application by the Genesee Radio Corporation for a construction permit to build a station in Flint, Mich.

While admitting that additional station might fulfill a public need, the FCC noted that the proposed service would be similar to that already furnished Flint and then added:

"There is another element in this case, which, when weighed in conjunction with the facts already set forth, the Commission regards as controlling. The interests which control the existing broadcast station at Flint and those which would control the proposed station are identical. The managerial policy of the two stations would be the same. The two stations would not be engaged in actual or substantial competition with each other in the rendering of service. Further, to permit the entry into the field of this applicant might well, from an economic standpoint, prevent the future entry into the field by an applicant who would offer a new, different, improved and competitive service. It is not in the public interest to grant the facilities for an additional broadcast station to interests already in control of the operation of a station of the same class in the same community, unless there is a compelling showing upon the whole case that public convenience, interest or necessity would be served thereby.

"In order to assure a substantial equality of service to all interests in a community, to assure diversification of service and advancements in quality and effectiveness of service, the Commission will grant duplicate facilities to substantially identical interests only in cases where it overwhelmingly appears that the facility, apart from any benefit to the business interests of the applicant, is for the benefit of the community, fulfilling a need which cannot otherwise be fulfilled."

Ruling on rival applications of a newspaper and a church for full time on the frequency they now share, the Commission held that they should continue to divide the time. The applicants are the Pulitzer Publishing Co., of St. Louis, which operates KSD, and the Evangelical Lutheran Synod, of Clayton, Mo., which operates KFUO.

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McNINCH OPPOSES RADIO TAX ON WATTAGE

The Payne-Boylan radio station tax bill was given a severe jolt late last week when Chairman Frank R. McNinch, of the Federal Communications Commission, made public a letter he had written Representative Doughton, Chairman of the House Ways and Means Committee.

Chairman McNinch, who had previously expressed the belief that radio stations should pay a tax at least sufficient to pay the administrative expenses of the FCC, stated that any tax based on watts would be unfair. He suggested that the Commission would prepare a report and recommendation for a radio station tax if the Committee requested it.

His complete letter to Representative Doughton follows:

"I have your letter requesting recommendations or comments upon H.R. 6440, a bill 'To provide for the taxation of operators of radio broadcast stations', which was introduced by Representative Boylan, of New York.

"The bill is apparently designed to produce revenue considerably in excess of the cost of administering the provisions of the Communications Act of 1934 as amended, which deal with radio broadcast stations. The tax base prescribed in the bill, namely, the number of watts of authorized power which a stations is licensed to use, does not represent an adequate or equitable basis for such a tax levy; nor is it equitable or proper to classify stations arbitrarily into three groups - those authorized to use less than one thousand watts, those authorized to use between one thousand and ten thousand watts; and those authorized to use in excess of ten thousand watts - for the purpose of fixing the tax rate.

"There is no consistent or logical justification for basing a tax on radio broadcasting stations solely on wattage, without regard to income, type of service, geographical coverage, or other pertinent considerations. The Commission's objections to H.R. 6440 should not be taken to be objections on the part of the Commission to the principle of levying a tax upon, or charging a fee for, the exercise of the privilege of broadcasting, either for the purpose of reimbursing the Government for the expense incident to the regulation or licensing of broadcast stations or for general revenue purposes. If, however, any such tax or fee is to be levied or charged, the Commission is of the opinion that there should be some proper relationship between the tax base and the tax rate and the purpose for which it is imposed.

"The determination of such a relationship is not a simple matter but one which involves many complex factors. Should the Committee desire that the Commission make a recommendation which goes beyond the expression of its objections to the pending measure and advance suggestions as to the manner in which it believes this problem may be scientifically and equitably solved, the Commission will be very glad to comply with any request the Committee may make."

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TALKING NEWSPAPERS FORESEEN IN FINCH PATENT

A new radio invention that "may revolutionize the newspaper industry" is described in the current issue of Editor & Publisher as an interview with the inventor, William G.H.Finch, of New York City.

Mr. Finch early this month obtained a patent covering a new method of producing a sound track on ordinary newsprint with printing ink. The sound may be reproduced in the home with the aid of a simple machine which utilizes an ordinary loudspeaker.

"Not only can comics and features be told in print with a recording printed alongside", the article states, "but speeches and news events can be recorded by reporters and reproduced for actual sound in the newspaper."

The inventor is adapting his sound system to the facsimile machines being tried out by WOR, Newark, and other radio stations. A combination of the two, according to Mr. Finch, would produce a "talking newspaper" in the home.

"According to Mr. Finch, this system is the cheapest sound recording device ever invented", Editor & Publisher reports. "Newspapers can buy a master recording machine for $1,000 or $1,500 which will produce the visible sound track. From the visible track a plate is made to be inserted in the regular newspaper makeup. The time consumed is practically negligible taking only the time to change audible impulses into visual signs on paper. The sound track is a miniature version of the picture produced in an oscillograph by talking into it, or in other words, a very wavy line.

"A full page of comics can be told in sound by use of one inch of space for the sound track. Approximately 100 lines can be printed in one inch. With much more expensive equipment, Mr. Finch says as many as 1,000 lines to the inch can be printed.

"The moving picture type of recording machine costs around $15,000, Mr. Finch explained.

"Individual reproducers for the home can be manufactured for as low as 25 cents a piece, Mr. Finch says, and he visualized making them on a 5 and 10 cent store basis, providing volume production is great enough. The 25 cent scale would be reached on a contract for a million, he claims."

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NEW G.E. 100 KW STATIONS TO HAVE EFFECT OF 1200 KW

When General Electric begins broadcasting to South America over its authorized 100 KW short-wave station, the broadcast will have the effective power of 1200 KW, according to B. W. Bullock, Assistant Manager of Broadcasting.

The step-up in power, he explained, will be made possible by the confining of the 100 KW power within two 30 degree beams. The new transmitters for W2XAD and W2XAF, Schenectady, are expected to be in operation early this Spring.

General Electric, meanwhile, has started a new daily series of broadcasts to South America over the Pan American channel "lent" to it by the Federal Communications Commission.

The two directional beams, one covering the eastern half and the other the western half, will blanket the continent of South America, according to Mr. Bullock, and will enable this country to compete on equal or a better footing than Germany, which heretofore has had the advantage in South American broadcasts.

The Pan American frequency of 9550 kilocycles was dedicated in a special program from Washington and New York last Friday night. Speakers from Washington were Sumner Welles, Under Secretary of State; Frank R. McNinch, Chairman of the Federal Communications Commission; Dr. L. S. Rowe, Director General of the Pan American Union; and Fernando Lobo, Charge d'Affaires of the Brazilian Embassy.

"The realization is growing", said Mr. Welles, "that amicable relations in this hemisphere can be strengthened permanently through open and free facilities for cultural interchange.

"The term is broad enough to include the transmission of every legitimate expression of the national mind, with the purpose of strengthening this friendship through appreciative knowledge.

"The broad understanding between our two peoples, achieved in peace and amity, will continue to be a guarantee of tolerance and mutual respect in this hemisphere."

Chairman McNinch spoke in part as follows:

"As Chairman of the Federal Communications Commission and of the Interdepartmental Committee to Study International Broadcasting, I am particularly interested in the development of radio as a means of interchange of culture. I feel certain that much important work in this direction can be done through the cooperation of the American nations to make Inter-American broadcasting the finest of all international broadcasting. I hope that Inter-American radio programs will be selected with that care, discrimination and understanding which is so necessary if they are to truly represent and be worthy of the countries of this continent. I will welcome suggestions which will help us to do our part in this great cause."

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NAB TO OPPOSE ALL SPECIAL TAXES ON RADIO

The Executive Committee of the National Association of Broadcasters has decided to oppose all special taxes on broadcasting stations on the ground that such levies would interfere with the freedom of the air.

Meeting in Louisville, Ky., last week-end, the Committee discussed plans for fighting the Payne-Boylan wattage tax when hearings begin before a sub-committee of the House Ways and Means Committee.

While the letter of Chairman Frank R. McNinch, of the Federal Communications Commission, had not been made public at that time, the Committee, according to Philip G. Loucks, General Counsel and Acting Executive Head of the NAB, agreed to oppose any tax on radio stations that is not imposed on other industries.

"We are standing on the Supreme Court decision in the Louisiana tax on newspapers", Mr. Loucks said. "We believe that radio stations are entitled to the same protection and freedom as newspapers."

The Committee discussed suggested candidates for the position of paid president of NAB but reached no conclusions.

Mr. Loucks early this week went to New York to discuss questions of musicians' unemployment as it relates to non-network stations with Joseph N. Weber, President of the American Federation of Musicians.

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ZENITH MYSTERY INVENTION IS DISCLOSED

The mystery invention which the Zenith Radio Corporation has been cleverly publicizing for the past six weeks was revealed this week as a "radio nurse".

The new product, when plugged into a socket in a room where a baby or invalid has been left alone, will broadcast cries or requests to any point of the house where an amplifier has been installed.

The device, which will be announced formally on the Zenith Foundation program over CBS next Sunday night, is now being distributed to dealers all over the country. It will sell for $29.95.

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BRITISH START S-W SERVICE TO SOUTH AMERICA

A service of broadcast news bulletins in Spanish and Portuguese for listeners in Central and South America will be inaugurated by the British Broadcasting Corporation on the night of March 14-15. As from March 15, these bulletins will be broadcast daily from two BBC short-wave transmitters at Daventry, working simultaneously on a wavelength of 31.55 metres, under the call sign GSB, and directed to Central and South America. The Spanish bulletin will be broadcast at 8:30 P.M., EST, and the Portuguese at 8:45 P.M., EST. The bulletins, which the BBC says will be objective in character, will be compiled by the staff of the BBC from the reports of the British news agencies.

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TWO NEW STATIONS ARE RECOMMENDED

Favorable Examiner reports were submitted to the Federal Communications Commission this week on the applications of Floyd A. Parton, of San Jose, Calif., and Louis P. Thornton, of Baker, Ore., for construction permits to erect new broadcasting stations.

The San Jose application is for 1170 kc. with 250 watts power, daytime, while the Oregon request is for 1500 kc., 100-250 watts, and unlimited time.

Another favorable report was filed on the application of WLAK, Lakeland, Fla., for permission to increase its daytime power from 100 to 250 watts.

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TRADE NOTES

Reports reaching Washington are that the International Radio Conference in session at Cairo, Egypt, will continue for another month. It convened February 1st.

A 10-minute period of news prepared especially for Portuguese-speaking listeners has been added to the comprehensive schedule of daily news broadcasts in six languages over Station W3XAL, the NBC international station in New York.

Stricter regulation of radio was urged on the Federal Communications Commission in resolutions adopted at the recent convention of the Hoosier State Press Association in the Spink-Arms Hotel, Indianapolis. The Indiana publishers asserted that radio should be "placed on a par with the newspaper in dissemination of news and portrayal of advertising."

The State Department this week released a report on the Inter-American Radio Conference at Havana last Fall. It was prepared by Commdr. T.A.M. Craven, Chairman of the U.S. delegation, and is similar to the preliminary report made by Commissioner Craven to the Federal Communications Commission some weeks ago.

"Both Sides of the Microphone", a comprehensive volume on the multiple aspects of broadcasting as an industry, co-authored by John S. Hayes, Assistant Production Chief of WOR, was published last week by J. B. Lippincott. The book presents the complete story of radio, written especially for the average listener, the student, and the future radio employee. Horace J. Gardner, author and radio commentator, collaborated with Mr. Hayes in its preparation.

An increase in the listener's license fee in Canada from $2. to $2.50 for the year beginning April 1, has been announced by the Canadian Minister of Transport. New regulations also make compulsory a separate license fee for each receiving set, and will cancel the present provision which permits one license to cover both a house and a car receiver belonging to the same owner.

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BBC TO EXTEND TELEVISION SERVICE

Gerald Cock, Director of Television for the British Broadcasting Corporation, has announced forthcoming extensions in television programs. From April 3 next there will be an hour's television program on Sundays, and week-day evening programs are to be extended an extra half-hour whenever possible, with a view to permanency.

Reviewing the past year in television, and the position today, Mr. Cock said:

"The home is the place for television, because in its present stage I am sure the programs could not be designed for any other purpose; and they could certainly never be designed for large theatre screens and home screens simultaneously. I think you will find, like Mr. Bernard Shaw, when he visited us, that the comparative smallness of the screen does not really matter if it is in your own sitting room.

"One should resist the temptation to compare television programs too closely with what you see on the stage or films. The excitement and charm of home television lie in its unique qualities of intimacy and immediacy. Magically you are with the artists, during a show, not looking at them across the footlights, or their reproduction at second hand. You are taking part in a great event, not standing in the back row, or seeing it afterwards off a bit of film. And the sound reproduction is uncannily good.

"The scope, and consequent progress, of the Service hinges upon continual technical improvements at what one might call the camera or studio end. Technically, television is now a really efficient medium. Finance is the problem, though it is getting easier. The demands of television are constantly increasing; for more space, for example, which is only another aspect of the financial problem. Did you know that our one fully-equipped studio is a room only 70 ft. by 30 ft.? And that in it all programs are rehearsed, and transmissions carried out from a single stage about 30 ft. by 20 ft., with only a recent temporary relief in an overflow room of similar size, which is not yet fully equipped? Here again we must look forward to better times ahead."

Reviewing the progress that television has made in the last year and a half, including the successful televising of the Coronation and a Cenotaph Service, and the difficulties that had to be overcome in creating programs of every kind from plays to current events of news interest, Mr. Cock went on:

"From a tentative, patchy, and often sloppy combination of disjointed items, real television productions and 'actualities' became possible. Flicker disappeared. Now, you can see real programs regularly and clearly on a set which is quite easy to handle.

"As time goes on, I hope there will be few things of interest and entertainment not included in the Service. If they are not, it will not be our fault. You must not think we are complacent. On the other hand, we are certainly not apologetic. I believe that set owners are getting value for their money now, and I am quite certain they will get more than value for their money before very long. With an imaginative and courageous long-view policy, we ought to keep our lead, though the speed of development must depend to an extent upon your practical support. As most of you know, no foreign country has yet found itself in a position to begin - one could almost say 'dared' to begin - a public service. And our friends from abroad are the first to recognize the astonishing strides made over here. So, for better or worse, British pioneering has brought world television nearer, which should be something to be proud of.

"In my own case, the qualified optimism of two years ago has given place to a profound belief in this miraculous medium. If, from the activities at Alexandra Palace, a new industry can be built up to absorb some of the best young brains in the country; if in due course a country-wide service of visual broadcasting comes into being, then the unavoidable tribulations of these early days will have been worth while."

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MOSCOW TELEVISION STATION TESTING

A successful test has been made of the new television station in Moscow by showing on a screen 14 x 19 centimeters a band marching along a street in an Ukranian village, according to a trade report to the U. S. Commerce Department. The sound of the band-music accompanied the picture. The station equipment is not yet complete, and it will not undertake regular transmission until early in April. At present only ten receiving sets, placed in various sections of the city, are in operation.

The Moscow television center, began in October, 1936, is equipped with American machinery; the studio has an area of 280 sq. meters, and is brilliantly lighted from above and from the sides. The walls and ceiling are sound-proofed, the former with sheets of copper between the wall-layers, and the latter with a wooden ceiling hung below the regular one. It is expected that the pictures sent out will be received in Moscow and its environs; receivers will be set in clubs, "homes of culture", etc., for a large number of spectators.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1107

FCC TO CHANGE PROCEDURE ON STATION COMPLAINTS

The Federal Communications Commission this week decided to alter its procedure to be followed in the handling of informal complaints against broadcasting stations.

A Committee composed of Commissioners Frank R. McNinch, George Henry Payne, and Eugene O. Sykes was named to study the matter and make recommendations to the Commission.

Observers saw in the move the evolution of a new policy which will relieve the stations of the expense of hearings on license renewal applications and the FCC of much trivial administrative detail. Up to the present, the policy of the Commission has been to designate for hearing the license renewal application of any station against which there had been any serious complaints.

That the complaints were for the most part trivial is evident from the fact that despite the holding of hundreds of such hearings, the FCC has not cancelled the license of a single station since its creation in 1934. The hearings, however, took the time of the Commission as well as the broadcasters and were expensive.

Under the plan now under consideration, a special committee of the Commission, either a standing or a rotating group, will investigate all complaints thoroughly and report its findings and recommendations to the FCC. Only in aggravated cases, it is likely, will formal hearings be set on applications for license renewals.

Chairman McNinch, it is understood, also wishes to permit more publicity on the complaints as a further extension of his "glass house" policy for the FCC and to make the broadcasters careful not to make themselves subject to complaints from listeners or other stations.

While the plan has not been worked out definitely, it is likely that all complaints will be available for public perusal and examination by newspaper men.

The Interstate Commerce Commission, it was explained, now makes public all complaints against carriers under its jurisdiction.

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INTERNATIONAL COMMITTEE INTERVIEWS BROADCASTERS

While shunning publicity for the time being, the President's Special Committee named to study international broadcasting has been quietly gathering data on the nature of international broadcasts by American short-wave stations.

Several of the operators of international stations have been called into conference with the Committee and asked to describe the nature of their programs, particularly to the Latin American countries.

On the outcome of the Committee's report, it is believed, will depend the success or failure of several moves to have the Federal Government build a Pan American short-wave station and to operate it on the Pan American channels now lent to the General Electric Company, the World Wide Broadcasting Foundation, and the Columbia Broadcasting System.

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"ZENITH RADIO NURSE" BORN ON McDONALD YACHT

The "Zenith Radio Nurse", which is being distributed among dealers this week, in anticipation of a public exhibition next week, was born in the mind of Commdr. E. F. McDonald, Jr., according to Zenith officials, and it was first used aboard his yacht, "The Mizpah".

Early last Spring, a group of newspaper men was listening to one of the Zenith programs aboard the yacht and in the main salon, one of them noticed a gadget like the one which has been discussed for the past several Sunday evenings on the Zenith Foundation program. When he asked what it was, Commander McDonald told him this story:

"My little girl is just a little over a year old now. We keep a nurse for her but tonight happens to be the nurse's day out. Up to now either Mrs. McDonald, or myself, or one of the stewards had to be close to the baby's cabin so that if the baby cried or showed other signs of needing attention, our little daughter Marianne could be looked after. So the idea of a Radio Nurse was born in my mind.

"I conceived a super-sensitive system that would need no connecting wires and that could be simply plugged into the 110 volt light socket wherever one happened to be. Through several months' experimenting with my engineers, I developed what I finally determined to call the Radio Nurse. Now I can sit in the main salon here and if the baby cries or makes the least movement I am informed of it. As a matter of fact, even the nurse finds the device very handy."

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RADIO REGULATION 11 YEARS OLD ON MARCH 15

The fifteenth of March is notable for something else than merely the deadline for payment of the Federal income tax.

Eleven years ago on that date the first body was named to regulate the radio broadcasting industry, then somewhat of a curious infant whose future was uncertain. Today only two officials and a couple of secretaries survive from that original Federal Radio Commission.

The officials are Judge Eugene O. Sykes, who acted as first temporary Chairman, and Frank G. Wisner, who was then and still is in charge of press relations. Judge Sykes has survived a half-dozen or more shake-ups and still is a member of the Federal Communications Commission.

Back in 1927, after Congress had passed the Federal Radio Act setting up the Radio Commission to operate as a temporary agency to retrieve reception from the chaos into which it had drifted, four men got together in the old Department of Commerce Building in an office loaned them by the then Secretary of Commerce, Herbert Hoover. There wasn't any money with which to operate the organization and all they had to go by was a law. Actually five men were named to the Commission, but one of them - the late Admiral W. H. G. Bullard, named as Chairman - was in China at the time. Judge Sykes called that initial meeting to order.

The Federal Communications Commission of today, with its personnel roster of over 650 and with elaborate headquarters in the ultra-modern Post Office Building in official Washington, makes the original regulatory body pale into insignificance in comparison. The FCC succeeded the Radio Commission in 1934, becoming a permanent body with jurisdiction over all phases of radio, telephone, telegraph and cable communications. Besides it is conducting a special investigation of the American Telephone and Telegraph Company, invading deeply the rate structure, etc.

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GERMANY TO BUILD "RADIO VILLAGES"

The Director-General of German Broadcasting, Dr. Glasmeier, recently announced that provision has been made to erect modern Broadcasting Houses at Stuttgart,-Saarbrucken, and Cologne. Later a new centre is to be erected in Berlin. Dr. Glasmeier explained that his ideal was to erect the new buildings away from the towns in the form of radio villages where the officials and artists would live within a few minutes' walk from the studios.

A site for Saarbrucken has already been chosen, but it is not expected that the new centres will be ready for some time.

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HOUSE VOTES DOWN TAX ON RADIO STATION RECEIPTS

Broadcasters had reason to believe that Congress will impose no tax on radio stations at the current session, at least, after the House had refused flatly to adopt a tax on broadcasting station receipts during a turbulent session on the general tax bill.

The radio tax amendment was offered by Representative McFarlane (D.), of Texas, arch critic of the present radio system, in the House. It was voted down on a division vote 60 to 30.

Representative Thompson (D.), of Illinois, who has said he will hold hearings on the Payne-Boylan wattage tax bill this session, spoke in opposition to the amendment.

"The question of taxing radio broadcasting stations and radio broadcasters", he said, "goes into a new field which should be thoroughly studied by the committee charged with raising revenue as well as the committee charged with the regulation of the radio broadcasting industry. In order to give these committees an opportunity to study this matter, I ask that the amendment be defeated."

Representative McFarlane, in a brief speech which he later extended in the Record, called attention to the cost of regulation of the broadcasting industry and asserted that its advertising receipts aggregate more than $140,000,000 a year.

"It is the only natural monopoly existing in the utility field that does not pay one cent of revenue toward the upkeep or maintenance of the department supposed to regulate it", he said.

He intimated that Chairman Frank R. McNinch, of the Federal Communications Commission, had approved the type of tax he was proposing.

The text of the tax amendment is as follows:

"(a) Definitions: As used in this section -

"(1) 'Broadcasting' means transmission by radio of sounds, pictures, or writing, intended to be received by the public, directly or by the intermediary of relay stations.

"(2) 'Gross receipts' of any person engaged in the business of broadcasting means the total sums paid to such person for broadcasting, but there shall be excluded from such sums such portions thereof as are paid by such person to any other person for broadcasting if such other person is engaged in the business of broadcasting under license from the Federal Communications Commission.

"(b) Imposition of tax: There is hereby imposed upon every person engaged in the business of broadcasting under license from the Federal Communications Commission, with respect to the carrying on of such business after July 1, 1938, an excise tax of 10 percent of the gross receipts of such person after such date.

"(c) Collection of tax: Every person required to pay the tax imposed by this section shall make quarterly returns under oath in duplicate and pay the tax to the collector of Internal Revenue for the district in which is located his principal place of business. Such returns shall contain such information and be made at such times and in such manner as the Commissioner, with the approval of the Secretary, may by regulations prescribe. The tax shall, without assessment by the Commissioner or notice from the Collector, be due and payable to the Collector at the time so fixed for filing the return. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of 6 percent per annum from the time the tax became due until paid.

"(d) Administrative provisions: All administrative, special, or stamp provisions of law, including penalties and including the law relating to the assessment of taxes, so far as applicable, are hereby extended to and made a part of this section."

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HEARST REPORTED TRYING TO SELL RADIO INTERESTS

William Randolph Hearst was reported this week to be trying to dispose of his newly-organized radio broadcasting interests which are managed by Elliott Roosevelt, son of the President, as General Manager of Hearst Radio, Inc.

The sale by Hearst of Station KEHE, Los Angeles, to Earle C. Anthony, owner of Stations KFI and KECA, Los Angeles, for a reputed $400,000 accounted for the unverified rumor. The KEHE sale is subject to approval by the Federal Communications Commission.

"It is reported that Hearst recently sought to dispose of his radio properties en bloc but a deal which had Wall Street interests involved got nowhere", Variety stated. "Other negotiations for Hearst's remaining outlets, which would not include WCAE, Pittsburgh, are reported to be in progress. As an en bloc proposition the asking price for the Hearst outlets was said to be $4,600,000, with the buyer putting up $3,200,000 in cash and mortgages held by New York downtown interests figuring in the balance."

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EDUCATIONAL GROUP SEES CHALLENGE IN FCC GRANT

The recent reservation of 25 of the high frequency radio channels for allocation to non-profit educational agencies constitutes a challenge to the educational world, according to the National Committee on Education by Radio.

Citing the Federal Communications Commission's action in the current "Education by Radio" bulletin, the Committee comments:

"The reservation of these channels constitutes perhaps the greatest recognition of the importance of educational broadcasting yet given by the Federal Communications Commission. To a certain extent this action of the Commission reverses the position taken by that body in 1935 when it recommended to Congress that no frequencies be set aside for education or labor. The Commission has granted in the ultra-high frequencies substantially what the National Committee on Education by Radio was demanding at that time in the regular broadcast band.

"It should be clearly understood that this grant of facilities outside of the regular broadcast band should not in any way prejudice the position of the existing educational broadcasting stations. These stations are for the most part state-owned and render service over an area much larger than that which can possibly be covered by a station broadcasting on the ultra-high frequencies. Instead of weakening their position, the reservation of channels now made by the Commission constitutes a recognition of the importance of the service educational stations are rendering and should strengthen their position.

"To school administrators the new grant is at once an opportunity and a challenge. For the first time channels have been set aside for which their applications must be given preference. However, the maintenance of this preference will depend upon the extent to which organized education in the United States moves to take advantage of the frequencies set aside. Unless the schools show an ability within the next few years to make good use of these facilities, the reservation may be set aside and the channels thrown open to commercial exploitation."

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McNINCH TALKS WITH F.D.R. ON TAXES, S-W STUDY

Chairman Frank R. McNinch, of the Federal Communications Commission, conferred with President Roosevelt on Thursday of this week regarding the proposed tax on radio stations and the study of international broadcasting being made by a special committee of which he is Chairman.

He declined to discuss the conference other than to state the subjects.

Upon leaving the White House, Chairman McNinch told newspapermen that the long-awaited report on the FCC investigation of the American Telephone & Telegraph Company will be submitted to Congress shortly. He said he had heard rumors but could not verify reports that it recommended a change in the set-up of the A. T. & T.

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ARABIAN KING BARS RADIOS ON RELIGIOUS GROUNDS

Despite the growing influence of the special Arabic language short-wave broadcasts recently inaugurated by the British Broadcasting Corporation to offset Italian propaganda, religious prejudices are proving obstacles in some sections of Arabia.

"Prejudice against light music, on religious grounds, is retarding the progress of radio in parts of Arabia,"the BBC reports. "The King of the Yemen, for example, does not allow his subjects individually to own receivers, though he has many installed in his palace. There are believed to be many privately-owned sets in the Hedjaz, and King Ibn Saud attaches such importance to the various news broadcasts that he has regular transcriptions made of them."

In other localities the service is building a vast audience, however.

"It is almost impossible to estimate the number of listeners who may be reached by the Arabic Service", the BBC continues. "Seventy thousand licenses have been issued by the Egyptian authories, and some 28,000 are in force in Palestine; it is believed that more than half of these cover receivers that permit reception on the short waves. Community-group listening has been organized in some villages in Palestine, and many well-to-do Arabs have installed receivers in their own homes. But the people of the Near and Middle East spend a large part of their time in the coffee-house, the centre of their social life, and it is here probably that the largest audience for the broadcasts will be found."

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PROBE OF WIRE COMMUNICATIONS ASKED IN SENATE

A resolution calling for investigation of the wire communications industry was introduced in the Senate this week by Senator Neely (D.), of West Virginia. It was referred to the Committee on Interstate Commerce of which Senator Wheeler (D.), of Montana, is Chairman.

It reads, in part, as follows:

"Whereas the Communications Act of 1934 has declared it to be the purpose of Congress to regulate the practices of companies engaged directly or indirectly in wire communications in interstate commerce and has conferred upon the Federal Communications Commission full power to make investigations and inquiries into the various aspects of the business of these companies; and

"Whereas the functioning of the wire communications industry which is vital to the Nation in war as well as in peace is at the present time threatened with permanent injury by managerial policies such as discriminations between classes of patrons and understaffing to the point where efficient public service is seriously impaired; and

"Whereas the communications companies have taken steps toward the creation of an unsanctioned monopoly by collusion in the fixing of rates and by allocation of exclusive leases and by joint action in reducing the number of telegraph offices at the service of the public; and

"Whereas the precarious situation of the industry is further aggravated by unstable and hazardous labor conditions due to the large proportion of part-time employment, to the introduction of labor-saving devices unaccompanied by any provisions for displaced employees, to the high degree of occupational disease, to the abrogation of pension and sick benefit systems, and to the extremely high rate of turnover among children employed as messengers; Therefore be it

"Resolved, That the Committee on Interstate Commerce is authorized and directed to make a thorough investigation of the following aspects of the wire communications industry in the United States and to report to the Senate the results thereof."

Then follows the suggestions for investigation of managerial policies of understaffing, discriminations between classes of patrons, wasteful service; the tendencies toward monopoly such as are exhibited by the joint action of the companies in closing down branch offices, reducing personnel, rate fixing; collusion of wire communications companies with competitors; conditions of employment, the extent of unemployment and the wage structures, etc.

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TRADE NOTES

Frank Braucher, Vice-President in Charge of Sales at Station WOR, has announced the appointment of Eugene S. Thomas as Sales Manager of the station. Mr. Thomas has been Assistant Sales Manager for the past two years and prior to that was Manager of the Sales Promotion Department. He joined WOR in 1934.

Renewal of the license of Station KDAL, Duluth, Minn., and increase of the operating hours of WMFR, High Point, N. C., from daytime to unlimited, were recommended to the Federal Communications Commission this week by Examiners.

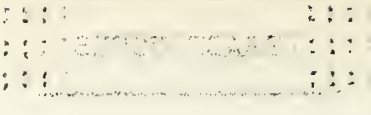
The Office of the American Commercial Attache, Warsaw, reports that there are 36 towns and cities of Poland having more than 2,000 sets as of January 1, 1938. On January 1, 1938, there were only 25 cities with over 2,000 sets. During 1937, two towns dropped below the 2,000 mark and 13 rose above it.

Sidney M. Robards, for the last year and a half a member of the Publicity Department of the National Broadcasting Company, has joined the Department of Information of the Radio Corporation of America, RCA Building, New York. Mr. Robards has served since last May as Assistant Editor of the Press Division of the NBC.

Denial of the application of the Madison Broadcasting Company, Madison, Wis., for a construction permit to operate on 1450 kc. with 250 watts power, unlimited time, was recommended to the Federal Communications Commission this week by Examiner Melvin H. Dalberg.

Through special arrangements with affiliated stations, the National Broadcasting Company is now offering advertisers network service at selected periods hitherto used for local programs. Networks during these restricted hours may consist of some stations from both Red and Blue Basic Networks. Procedure will be to offer the program to stations on one basic network (Red or Blue) but if any station prefers to retain the time for local or spot use, the network advertiser has the option of making his program available to any other NBC affiliated station in that city. The first advertisers scheduled to avail themselves of this new arrangement are Chesterfield and General Mills.

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POPULAR IDEAS ABOUT SUNSPOTS AND RADIO HELD WRONG

All sunspots do not distrub radio reception, nor do all magnetic displays of the Aurora Borealis, according to a British writer, R. W. Hallows, M.A., in World-Radio, weekly organ of the British Broadcasting Corporation.

"There are one or two ideas about sunspots and the Aurora which have become widely accepted, though it appears they are entirely wrong", he writes. "One of these is that all sunspots cause magnetic disturbances and upsets and adventures in radio reception, especially on the short waves; another, that the Aurora Borealis, which we saw on January 25 is invariably due to some action produced by big sunspots; a third, that during magnetic storms or displays of the Aurora all short-wave transmitters might as well close down, so far as reception at any distance is concerned.

"Not every sunspot gives rise to magnetic storms, to violent atmospherics on various wavelengths, or to poor reception or 'fade-outs', on the short waves. We may, in fact, go a good deal farther than this. When the phenomena just mentioned occur they are not caused by the sunspots themselves, but by whatever it is that is responsible for the appearance on the visible surface of the sun of these gigantic maelstroms of activity.

"Magnetic storms and their concomitant interruption of short-wave radio signals - and, often, of signals sent over land-lines or cables - can and do occur without there being any visible sunspot of more than ordinary size. Equally, quite large spots or groups of spots may pass across the Sun's disk without such phenomena being present to any marked extent.

"Nor is it true that an Auroral display wipes out all short-wave signals; it usually affects those coming from a northerly direction, though its effects may be much more widespread when it is visible in latitudes unusually far south. When Professor E. V. Appleton took an expedition to the north of Norway for the purpose of investigating the effects of the Aurora on wireless reception he found that during its occurrence the various layers in the upper atmosphere that are normally reflectors of short and medium radio waves ceased to perform this function. In other words, the sky-wave of any short-wave or medium-wave transmission passing through the Auroral area was liable to be no longer effective.

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ARGENTINE BANS PROPAGANDA ON SPANISH WAR

The Argentine Post & Telegraph Department, which exercises control over radio broadcasting, has issued a resolution which prohibits the broadcasting of all comment, propaganda or distorted news regarding the present war in Spain, according to the American Commercial Attache at Buenos Aires. Future broadcasts on this subject must comply strictly with facts emanating from responsible sources.

This resolution is based on the view that radio should elevate the cultural level of the listener, the report states, but that some comments broadcast on the Spanish situation have served only to produce the opposite effect. Furthermore, it is pointed out that there have recently been misleading broadcasts, capable of offending other countries, which are not in accordance with various South American radio conventions designed to promote peace and international understanding.

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NAVY RADIO METEOROGRAPH READY FOR DAILY USE

A radio meteorograph system that will add to the safety of flying, developed for the Navy Department, has reached a stage where it is ready for daily use, according to the U. S. Bureau of Standards.

The device was announced last year, but since that time "the component parts of the system have been materially improved", the Bureau of Standards stated, "and its performance has been determined through simultaneous radio meteorograph and aerograph soundings of the upper atmosphere under typical service conditions."

"While affording the same order of accuracy of measurement as the aerograph, the radio meteorograph can be used during adverse visibility conditions and can attain much higher altitudes (12 to 15 miles) instead of about 4 miles for the usual airplane sounding", the Standards Bureau continued.

"The radio meteorograph attached to a small unmanned balloon, sends down radio signals which give a measure of the variations in atmospheric pressure, air temperature, and air humidity as the balloon ascends. The decrease in barometric pressure as the balloon rises is utilized to operate a small switch arm which moves over a set of electrical insulating and conducting strips. The conducting strips are electrically interconnected with two resistors which control the modulating frequency or pitch of the radio signals. One of these resistors consists of a small capillary glass tube filled with an electrolyte which varies markedly in electrical resistance with the surrounding air temperature. The second resistor is mechanically varied by the expansion or contraction of a hair element and hence varies with the relative humidity. The temperature resistor is normally in circuit so that the modulating frequency or pitch is normally proportional to the temperature.

"At predetermined pressure levels, corresponding to approximately 500-foot increments in the height of the balloon, the switch-arm switches in the humidity resistor and the modulating frequency or pitch becomes a measure of the relative humidity. At the ground receiving station, an automatic graphical frequency recorder connected in the output of a receiving set converts the variations in pitch into a plot of temperature and humidity against pressure.

"The improvements incorporated in the system during the past year have increased the stability of the modulating oscillator and the accuracy of frequency measruement at the ground receiving station. The design of the capillary thermometer has been materially improved and its cost reduced. A simplified calibrating and operating procedure has been evolved which increases the accuracy of the observations while at the same time permitting rather wide tolerances in manufacture, in order to reduce cost.

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No. 1108

March 15, 1938.

CONGRESSMAN RAPS RADIO TAX; BILL MAY BE SHELVED

The 75th Congress will not vote a tax on broadcasting stations, according to present indications, and even hearings on the Boylan-Payne wattage tax bill may not be held this session.

Sentiment against the tax appears to be growing, and even Chairman Doughton, of the House Ways and Means Committee, has indicated his belief that the matter should be dropped at least until the Federal Communications Commission recommends a form of license tax.

Representative Thompson (D.), of Illinois, who earlier stated he would hold hearings on the Boylan bill, said this week he would talk with Representative Boylan (D.), of New York, about postponing action. Afterwards he will issue a public statement.

An example of the sentiment of some members of Congress regarding a tax on radio stations is the attitude of Representative Fred H. Hildebrandt (D.), of South Dakota, who extended his remarks on the subject in the Congressional Record.

Citing the public services of radio stations, Representative Hildebrandt said he is opposed emphatically to any form of special tax on broadcasting. His remarks were occasioned by the House's rejection of the gross receipt tax proposed by Representative McFarlane (D.), of Texas, as an amendment to the 1939 revenue bill.

"I rise to express my opposition to any scheme which would undertake to single out radio stations for special treatment for the purpose of taxation", he said. My opposition to imposing peculiar burdens upon this industry is based primarily upon my concern for the economic welfare of the hundreds of small radio stations in this country which are rendering a necessary local service to their communities. Particularly do I have in mind the radio stations in my State and their importance to the development of rural life.

"In South Dakota there is licensed a total of 11 radio stations. Three of these stations are licensed to and operated by educational institutions. The remaining stations are under commercial management, but likewise render a distinctive public service.

"It is doubtful if those who reside in metropolitan areas fully appreciate the importance of radio broadcasting service in the more sparsely settled rural areas. Radio has developed from a hobby or a plaything into an essential instrument in the daily lives of our rural people. In the State of South Dakota, with a total population of 692,000, representing a total of 160,900 families, surveys made by competent authorities show that of the total of 160,900 families in South Dakota there are 114,600 families with radios in the home. In other words, radios are in the homes of more than 71 percent of the families of South Dakota.

"In the different agricultural areas of this country radio has become an almost indispensable incident to farming. With the cooperation of State and Federal agricultural agencies, radio is progressively improving its technique as an aid to farmers. The broadcasting of market news, of crop and livestock reports, and weather information is an important service to the farmers of my State as well as the farmers everywhere. In addition, there is disseminated by means of radio invaluable technical and other information to farmers that enables them to obtain in a practical way important scientific developments in the field of agriculture. Thus it is clear that the utility of radio in agriculture has become an established fact, and its future development should not be encumbered by onerous taxation which will in any manner impair the opportunity to continue to perform this needed public service.

"I am certain that the conditions with respect to radio in my State are similar to those in the other great agricultural regions of the country. Through the medium of radio there is brought to the 114,600 families of my State great music which otherwise they would never have the opportunity to hear. Also, the other programs originating from the stations in metropolitan areas bring a type and character of entertainment which is a great boon to those who would otherwise have no chance to receive such entertainment. Through the radio the world is brought to the homes of these people and because of this fact, people of South Dakota and all other agricultural States have the opportunity to be as well informed about national and international affairs as do those citizens of our great cities where the other facilities for distributing information are available in greater abundance.

"It is my understanding that radio stations devote on the average about 50 percent of their time to programs from which they receive no revenue. These programs include speeches by the President of the United States and other public officials, broadcasts of great symphony orchestras, and interesting special events of various types. Radio stations, by virtue of the license which they receive from the Federal Government, assume an obligation to perform this public service. The performance of this service is possible only because of the fact that they receive revenue from commercial sponsors. To impose a special tax upon

the broadcasting stations which would result in diminishing their revenue would certainly mean that expenditures for the sustaining type of program would necessarily be reduced and the service which radio stations are now performing would suffer. Moreover, any proposal to tax advertising is an unsound economic principle. Advertising is 'an attempt to sell' and taxing this essential function in the production and distribution of goods would place an additional obstacle in the way of efforts that are being made to revive and stimulate the processes of production. Therefore, I submit that there is no justifiable reason to subject this great mass communication industry to what amounts to punitive treatment.

"Radio has a definite function to perform in its service to the people. It has been my observation that the responsibility to the people which broadcasters have assumed has been well met. Because of the importance of the continuous service which radio is performing for the people of my State, I desire to record emphatically my opposition to any measure to place an unjustifiable burden upon broadcasters and thus tend to destroy or curtail their service to the people."

Representative McFarlane, in an extension of his remarks in the Record, defended his tax proposal.

"It provides an excise tax of 10 percent of the gross receipts of all radio broadcasters. Measures providing for taxes of this type have been pending before the Committee on Ways and Means at various intervals since 1927. It is costing the Government each year in excess of $2,000,000 to maintain the Federal Communications Commission, and no part of this sum is provided by the industry supposed to be regulated. It is estimated this tax will not work a hardship upon the industry, since the industry is taking from the smaller and the larger newspapers of this country, which are not favored by a free license and a radio broadcasting station, more than $140,000,000 each year in legitimate advertising. They are not contributing one red cent toward the maintenance of the Federal Communications Commission, which last year cost more than $2,250,000 to operate.

"These radio stations receive a free license to operate by the Government, and these licenses, through trafficking by the owner, we find to be very valuable; and since these radio stations own little property and collect enormous fees for advertising, it seems they should pay a reasonable tax to the Government. Certainly under this tax bill we need the revenue, and the small newspapers of this country that do not own radio stations and need relief will appreciate your vote."

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RADIO MAKER'S AVERAGE WAGE HIGH; EMPLOYMENT DROPS

The average wage for workmen in the radio manufacturing industry compares favorably with other industries, Bond Geddes, Executive Vice-President of the Radio Manufacturers' Association, declared this week in commenting on preliminary figures from a U. S. Bureau of Labor Statistics survey.

"The preliminary figures reported an industry average last August of 60.9 cents an hour (since increased) for workers in receiving set manufacture, both male and female, and 47.9 cents hourly for employees of parts and accessory factories", he said. "The present all-manufacturing national average is 66.6 cents. Wages in tube factories were not carried in the preliminary figures but will be included in the final report. This also will contain breakdowns on various geographical manufacturing districts except for the tube statistics which will be on a national basis.

"The industry average of male workers in receiving set factories was 69.6 cents per hour, and 50.4 cents hourly for female workers. Among employees of parts and accessory manufacturers the average hourly earnings for male employees was 54.5 cents and 41.8 cents for female workers. The industry average, however, for all workers in the radio industry, according to the latest official report, for December, 1937, was 63 cents per hour.

"Radio workers' wages compare most favorably with those of other comparable industries. Following are the last December average hourly earnings in other industries: jewelry, 61.3 cents; clocks and watches, 58.5 cents; stamped and enameled ware, 61.8 cents; cutlery, 61.2 cents; lighting equipment, 67.5 cents; electrical machinery and apparatus, 74.8 cents, and the highly paid automobile industry average of 9.5 cents."

Simultaneously, the Bureau of Labor Statistics report a sharp seasonal decline, 20.9 percent, in the number of workers in radio factories during December, 1937. Decreased employment was reported in seventy-nine of eighty-nine various manufacturing industries reporting to the Department of Labor.

The radio factory employment decrease of 20.9 percent last December followed a decrease of 21.9 percent last November. The December, 1937, employment in radio factories was 38.8 percent below that during December, 1936. The December, 1937, index figure was 124.0, compared with the November index figures of 156.7.

Radio factory payrolls last December declined 19.7 percent from the previous month, and were 41.0 below December, 1936, payrolls. The December index figure on payrolls was 98.7 percent, against 123 percent in the previous month, and 165.5 percent in October.

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CROSLEY TAKES OUT FINCH FACSIMILE LICENSE

Powel Crosley, Jr., President of the Crosley Radio Corporation, Cincinnati, has taken out a license under the Finch facsimile patents for all of his stations and has placed an order for facsimile equipment for WLW, 500,000 watts, the nation's most powerful broadcaster. Later, similar Finch equipment will be installed for WSAI, 5,000 watts, as well as equipment for the three Crosley short wave stations, W8XNU, W8XAL and W8XIR.

WLW intends to place facsimile recorders in different localities during the testing period which will begin from 1 A.M. and last through until 6 A.M. in the morning.

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EGYPT TO EQUIP POLICE CARS WITH RADIOS

The State Police of Egypt will shortly inaugurate an automobile radio service for scout cars similar to that used in this country and Europe, according to a report to the Department of Commerce from the office of the American Commercial Attache at Cairo.

Under the present plan the six American-made automobiles which are at present operated by the Cairo city police will be equipped with radio receiving sets of a standard 5-tube type, the report stated. The necessary apparatus for a central broadcasting station for the police cars will be located at police headquarters in Cairo.

Although it is believed that the necessary equipment for this new service would be purchased in the United Kingdom, there is a possibility that the order may be placed with an American firm, it was reported.

It was expected locally that should the radio police car system in Cairo prove successful, the service would be extended to the city of Alexandria in the near future.

Inasmuch as there seems to exist a possible opportunity for the sale of American equipment, interested American firms and individuals should address detailed offers direct to the Inspector General of the Egyptian State Railways, Telegraphs and Telephones at Cairo, Egypt, the Commerce Department stated. However, in the event that any interested American firm is represented in that country, they should request their local representatives to approach the Radio Telegraph Section of the Administration.

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PROSPECTIVE NAB PRESIDENTS REDUCED TO DOZEN

The Executive Committee of the National Association of Broadcasters has reduced the list of prospects for the job of paid president of the NAB to a dozen, it was learned this week, as the Association's Directors prepared to meet in Washington next Monday.

An announcement of thechoice is expected to be made following the Directors' meeting. The Executive Committee, however, has refused to disclose the narrowed-down eligibility list until a report is made to the Board.

Some of the names still being mentioned as possibilities in broadcasting circles, however, are: John G. Winant, former Governor of New Hampshire; Robert M. Hutchins, President of the University of Chicago; former Senator C. C. Dill; Stewart McDonald, Federal Housing Administrator; M. H. Aylesworth, former President of the National Broadcasting Company, and Harless Branch, Second Assistant Postmaster General.

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UNION MUSICIAN LICENSES LOOM FOR INDEPENDENTS

Several hundred independent broadcasting stations may have to enter into negotiations with the American Federation of Musicians and obtain AFM licenses, as did their colleagues, the network-affiliated outlets, it was learned this week.

Following a conference between Philip G. Loucks, Special Counsel of the National Association of Broadcasters, and Joseph N. Weber, President of AFM, a truce was declared until after a meeting of the NAB Board of Directors in Washington March 21st.

So far no direct demands have been made on the independent stations, but AFM demands on the makers of transcriptions and phonograph records have induced the latter to make an appeal to the broadcasters still unlicensed by the musicians.

At a meeting in New York last week the transcription and recording company representatives drafted a letter to be sent to all independent stations pointing out that the AFM objects to sending recordings to stations as yet unlicensed on the ground that they are on the "unfair" list.

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SIX HEARST STATIONS ON MARKET; OTHERS ARE BID FOR

Confirming earlier reports, Broadcasting magazine this week stated that six of the ten radio stations operated by William Randolph Hearst are in the process of being sold and that bids have been made for other Hearst radio properties.

The deal, which must be approved by the Federal Communications Commission, will be the largest in radio history, surpassing the hitherto record sale of KNX, Hollywood, to the Columbia Broadcasting System for $1,300,000.

If all of Hearst's radio properties are disposed of, as it now appears they will be, Elliott Roosevelt, son of the President, will find his job as President of Hearst Radio, Inc., which he assumed January 1st, dissolved with the discontinuance of the Hearst subsidiary.

FCC officials stated that they have had no official word of the Hearst negotiations, but applications for approval are expected as soon as the deals are consummated.

As previously reported, KEHE Los Angeles, has already been sold to Earle C. Anthony, owner of Stations KFI and KECA, for $400,000, subject to FCC approval.

Other deals said to be under negotiation are:

Sale of four Southwest Hearst stations (KOMA, Oklahoma City; KTSA, San Antonio; WCAO, Waco, Tex.; and KNOW, Austin, Tex.) and the International Radio Sales and International Radio Productions to a group of unnamed business men for approximately $900,000. The option is said to expire March 20th.

Sale of WINS, New York, to Col. Arthur O'Brien, Seattle attorney and former Democratic National Committeeman, for $250,000.

A bid also is reported to have been made for WBAL, Baltimore. WCAE, Pittsburgh, the most profitable Hearst station, is said not to be for sale, whereas WISN, Milwaukee, and KYA, San Francisco, may be disposed of if an adequate offer is made for them.

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MRS. JENCKES AIRS VIEWS ON BOAKE CARTER IN RECORD

Representative Virginia E. Jenckes (D.), of Indiana, who some weeks ago started a controversy with Boake Carter, radio commentator, aired the feud at some length in an extension of remarks in the Congressional Record this week.

Her blast also took in the Philco Radio & Television Corporation, of Philadelphia, which was sponsoring Carter at the time, and the Columbia Broadcasting System, which carried his comments. She said she was filing official charges against all three with the Federal Communications Commission.

The attack had its origin in the remarks of Boake Carter regarding Mrs. Jenckes' suggestion to uproot the Japanese cherry trees in Washington and substitute American cherry trees. The suggestion was made during a patriotic address in Washington.

Mr. Carter in his radio commentary poked fun at the idea and expressed the hope that other members of Congress would not concern themselves with such trivialities.

Mrs. Jenckes in her extension of remarks inserts correspondence she had with the Labor Department regarding Boake Carter's citizenship, the list of stations which carried his remarks, a published column on the subject by Mr. Carter, and other data.

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GERMANY TO BUILD NET OF OUTDOOR RADIO LOUDSPEAKERS

A network of 6,000 outdoor loudspeakers is to be established in large German cities in the course of the next six years, according to a report by the American Consulate General at Berlin made public by the Department of Commerce.

These loudspeakers, which are designed for the broadcasting of addresses by Government officials and other events of national interest will be erected on large hexagonal columns on the six sides of which advertising space will be rented, the report stated.

A similar network of such loudspeakers, though smaller and without advertising space, will be established in the smaller municipalities and villages, according to the report.

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TRADE NOTES

American radio exports declined for January, 1938, the U. S. Bureau of Foreign and Domestic Commerce, reporting a decrease of 37.2 percent compared with January, 1937. Total January exports were $1,624,032, compared with $2,584,207 in January, 1937. Principal set export decreases reported were with France, United Kingdom, Canada, Argentine, Peru, Mexico, and other Latin American countries, British India, and New Zealand, although an increase in set exports to the Union of South Africa was reported. The larger decline in tube exports were on sales to France, Belgium, Canada, Australia, Argentine, and Peru, but tube exports to Mexico increased. Material decreases in parts and accessory exports occurred in sales to the Netherlands, Norway and Sweden, United Kingdon, Canada, and Latin American countries, while substantial increase of parts exports were made to Malta and Cyprus, Switzerland, New Zealand, and the Union of South Africa.

Station WALA, Mobile, Ala., on June 1st will become affiliated with NBC's Southern Group. WALA will serve as an optional station on either the NBC-Red or NBC-Blue Networks. The station, owned and operated by W. O. Pape, is on the air with a day power of 1,000 watts and a night power of 500 watts. It operates on a frequency of 1380 kilocycles and is the only station in Mobile.

WOR, Newark, has renewed its contract with Transradio Press Service for a three year period, according to Alfred J. McCosker, President of the Bamberger Broadcasting Service. This new agreement, Mr. McCosker stated, was prompted by increased public demand to receive latest up-to-the-minute bulletins on the progress of world affairs at more frequent intervals. The new contract includes the right of WOR to use Transradio news in facsimile work.

Tentative plans for the fourteenth annual RMA convention and membership meetings at the Stevens Hotel, Chicago, June 7-8, in conjunction with the National Radio Parts Trade Show will be made at a meeting in April of the RMA Board of Directors.

New radio police communication systems are proposed in appropriation bills introduced in the New Jersey and Virginia Legislatures. The New Jersey bill contemplates an expenditure of $465,000, and the Virginia system $150,000, including broadcast stations.

Southern radio executive defined, or Denver, Colo., the U. S. Bureau of Foreign and Domestic Commerce, reports a decrease of 7.6 percent compared with January, 1937. Total January exports were $4,084,000, compared with $4,444,000 for January, 1937. Principal net exports decreased were Cuba Proper, United Kingdom, Canada, Argentina, Peru, Mexico, and other Latin American countries, Straits Settlements, and Egypt, although increases in coal exported to the Union of South Africa was reported. The largest decline in such exports was made to France, Indochina, Germany, Australia, Switzerland, and Peru, and have exports to Mexico increased. Electrical appliances in parts and accessory exports decreased in sales to the Netherlands, Norway and Sweden, United Kingdom, Canada, and Latin American countries, while quantities shipped to Germany were made to Malta and Cyprus, Switzerland, New Zealand, and the Union of South Africa.

Station WACA, Mobile, Ala., at June 1st will become affiliated with NBC's Southern Group. WACA will serve as an additional outlet on existing Blue-Red or NBC-Blue hookups, the report, owned and operated by W. O. Penn, is on the air 17½ a day power at 1,000 watts and a night power of 500 watts. It operates on a frequency of 1360 kilocycles and is the only station in Mobile.

KOA, Denver, has renewed its contracts with Procter & Gamble Sterox Sterilo for a three year period, according to Alfred J. McCosker, President of the Broadcasting Company. This new agreement, Mr. McCosker stated, is proof of increased public demand to receive Lucky Strike broadcasts on the programs of world affairs as they transpire. The new contract includes the rights of NBC to use Transamerica news in broadcasting work.

Coordinating plans for the forthcoming annual NBA convention and exhibition are being completed, Chicago, June 7-9, in accordance with the National Radio Trade Show will be held at a meeting in April of the NBA Board of Directors.

Two radio publications' circulations are reported in the A. B. C. report for the six months ending March 31st. Radio Dealer's Digest has a paid circulation of 7,000 copies, and Radio Retailing 5,000.

The General Electric Company plaque, awarded annually for the best "on the air" record among stations owned and managed by the National Broadcasting Company, has been presented to the transmitter staff of Station WEAF, 1937 winners, at Bellmore, Long Island. The trophy, presented by Chester Lang, General Electric Company executive, was accepted by Gerald Gray, station engineer at WEAF. The silver plaque is awarded on the basis of the least time off the air due to equipment failures or errors of station operating personnel. The record of WEAF, key station of the NBC-Red Network, for 1937 was 3 minutes and 29 seconds, of which only 10 seconds were chargeable to personnel errors. WEAF's total time on the air during the year was 6,380 hours and 24 minutes.

Following vigorous opposition by the Radio Manufacturers' Association, a "luxury" tax bill introduced in the Kansas State Senate, which included a proposed 2 percent sales tax on radio receiving sets selling for more than $50, has been killed. The proposed legislation died with the adjournment of the special session of the Kansas Legislature, according to advices to RMA and follows similar results with similar legislation which RMA has opposed in other States.

Frank Braucher, Vice-President in Charge of Sales at WOR, has announced the appointment of Eugene S. Thomas as Sales Manager of the station. Mr. Thomas has been Assistant Sales Manager for the past two years and prior to that was Manager of the Sales Promotion Department. He joined WOR in 1934.

An increase in power for Station KVOL, Lafayette, La., from 100 watts to 250 watts daytime on 1310 kc. was recommended to the Federal Communications Commission this week by Examiner George H. Hill.

Clifford P. Hougland, Oscar Katz, and Fred Mahlstedt have recently joined the Columbia Broadcasting System as members of the Research Department. All three are working under the direct supervision of Dr. Frank N. Stanton, Manager of the Department. Mr. Hougland came to Columbia from the American Mutual Liability Insurance Company; Mr. Katz was formerly with National Markets Analysis, Inc., and Mr. Mahlstedt with Arthur Kudner, Inc.

A power increase of from 500 watts to 1 KW-5KW on 1400 kc. was recommended to the Federal Communications Commission this week for Station KLO, Ogden, Utah, by Examiner Tyler Berry.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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B U L L E T I N

FCC ADOPTS McNINCH RESOLUTION FOR MONOPOLY INQUIRY

The Federal Communications Commission at a special meeting today (March 18) adopted an order with respect to an investigation of chain broadcasting and monopoly in the broadcasting industry. The order adopted by the Commission was proposed by Chairman McNinch in a motion seconded by Commissioner Sykes, with the exception of the second "whereas" clause which was inserted on motion of Commissioner Craven. The vote of the Commission on the adoption of this order was Chairman McNinch, Commissioners Craven, Sykes, Brown, Walker and Case in favor, and Commissioner Payne against the adoption of the order.

Commissioner Payne said, "While, of course, I am heartily in favor of investigation of the monopolistic trends in broadcasting, I voted against the substitution of the McNinch Resolution for the Craven Resolution because of my objection to the methods by which that substitution was being made. Commander Craven had spent a great deal of time on his resolution, and I felt it was not only better drawn, but more comprehensive and calculated to be more effective."

The complete order follows:

"Whereas, under the provisions of Section 303 of the Communications Act of 1934 as amended 'the Commission, from time to time, as public convenience, interest, or necessity requires, shall - (1) have authority to make special regulations applicable to radio stations engaged in chain broadcasting;" and,

"Whereas, the Commission has not at this time sufficient information in fact upon which to base regulations regarding contractual relationships between chain companies and network stations, multiple ownership of radio broadcast stations of various classes, competitive practices of all classes of stations, networks and chain companies, and other methods by which competition may be restrained or by which restricted use of facilities may result;

"Now, therefore, it is ordered that the Federal Communications Commission undertake an immediate investigation to determine what special regulations applicable to radio stations engaged in chain or other broadcasting are required in the public interest, convenience, or necessity; such investigation to include an inquiry into the following specific matters, as well as all other pertinent and related matters including those covered in the Report on Social and Economic Data prepared by the Engineering Department of the Federal Communications Commission and filed with the Commission on January 20, 1938:

"1. The contractual rights and obligations of stations engaged in chain broadcasting, arising out of their network agreements.

"2. The extent of the control of programs, advertising contracts and other matters exercised in practice by stations engaged in chain broadcasting.

"3. The nature and extent of network program duplication by stations serving the same area.

"4. Contract provisions in network agreements providing for exclusive affiliation with a single network and also provisions restricting networks from affiliation with other stations in a given area.

"5. The extent to which single chains or networks have exclusive coverage in any service area.

"6. Program policies adopted by the various national and other networks and chains, with respect to character of programs, diversification, and accommodation of program characteristics to the requirements of the area to be served.

"7. The number and location of stations licensed to or affiliated with each of the various national and other networks. The number of hours and the specified time which such networks control over the station affiliates and the number of hours and the specified time actually used by such networks.

"8. The rights and obligations of stations engaged in chain broadcasting so far as advertisers having network contracts are concerned.

"9. Nature of service rendered by each station licensed to a chain or network organization, particularly with respect to amount of program origination for network purposes by such stations.

"10. Competitive practices of stations engaged in chain broadcasting as compared with such practices in the broadcasting industry generally.

"11. Effect of chain broadcasting upon stations not affiliated with or licensed to any chain or network organization.

"12. Practices or agreements in restraint of trade or furtherance of monopoly in connection with chain broadcasting.

"13. Extent and effects of concentration of control of stations locally, regionally or nationally in the same or affiliated interests, by means of chain or network contracts or agreements, management contracts or agreements, common ownership or other means or devices, particularly insofar as the same tends toward or results in restraint of trade or monopoly.

"It is further ordered that hearings be held in connection with such investigation at such times and places as the Commission shall designate.

"It is further ordered that a copy of this order be posted in the office of the Secretary and that a copy of the same be mailed to each licensee of a broadcast station and to each chain and network organization."

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CRAVEN-McNINCH FEUD SEEN IN FCC DISCORD

A rift in the Federal Communications Commission that may create as much of an uproar as the family scraps in the TVA and the Bituminous Coal Commission was disclosed this week as Chairman Frank R. McNinch battled to retain control of a situation packed with political dynamite.

Commdr. T.A.M. Craven, former Chief Engineer of the FCC, suddenly loomed as a rival to McNinch's leadership by reason of his insistence that the Commission at once launch an investigation of monopoly charges frequently hurled at the broadcasting industry.

With the Commission as badly split as in the most hectic days of the late Chairman Anning S. Prall, members were turning to members on Capitol Hill for an airing of the discord while maintaining an official silence themselves.

It is not unlikely that President Roosevelt himself will have to step in to put an end to the intra-Commission bickering unless a compromise is reached on the demand of Commissioner Craven for an immediate FCC investigation.

Up to this time Administration leaders on Capitol Hill have been successful in blocking resolutions for a sweeping investigation of the FCC and the radio industry. Their strongest argument has been that Chairman McNinch should be given a chance to "clean house" before Congress takes a hand.

Administration leaders in Congress admit that they cannot withstand the demands for a Congressional investigation much longer, unless the Commission itself agrees to conduct a probe.

"If the Commission does not do something about investigating the radio monopoly", said Chairman Connor, of the House Rules Committee, which has held up the Connery resolution, "I assure you I shall do everything to cause a Congressional investigation."

While rumors of bitter fighting among the Commissioners in closed meetings have been circulating for several weeks, Commissioner Craven's demand for a vote on his resolution to set up a committee of three Commissioners to investigate the monopoly charges brought the scrap into the open.

Following four hours of wrangling on Wednesday, Commander Craven made public his resolution, which Chairman McNinch had tried to have tabled. The following day Representative McFarlane (D.), of Texas, aired the feud on the House floor.

Judge Eugene O. Sykes, veteran member of the Commission, and Norman S. Case, former Governor of Rhode Island, lined up with Chairman McNinch on a preliminary test vote to table the Craven resolution. Siding with Commissioner Craven were George Henry Payne, Paul Walker and Thad H. Brown.

Although the motion to table was defeated 4 to 3, the Commission deferred action on the resolution itself while Chairman McNinch sought to effect a compromise.

Representative McFarlane in his address in the House said the opposition of Commissioners Sykes and Case to the inquiry is "perhaps understandable when one recalls that these two gentlemen comprised the Broadcasting Division" of the Commission prior to its abolition by Chairman McNinch in last Fall's reorganization.

The Texas Congressman added that "it is rather pleasing to note that four members of this Commission . . . have at last risen to their responsibility."

He said it was his "understanding" that Chairman McNinch had been ordered by the President at a White House conference last week "to have the Commission investigate the alleged monopoly which exists in radio broadcasting."

Oddly enough, Chairman McNinch himself in an address to the National Association of Broadcasters last month stated that he would recommend to the FCC that it investigate the monopoly charges. Commissioner Craven, however, apparently was quicker to the trigger.

Chairman McNinch and his supporters, it is understood, tried to refer the Craven resolution to the Law Department for study, but Commander Craven declared that it would result in several months' delay.

"The time has come to establish the truth or falsity of charges of short-comings of the existing application of radio to the services of the public", he said.

The text of the Craven resolution follows:

"Whereas there was filed with the Commission on January 20, 1938, a report relating to the social and economic aspects of broadcasting, wherein was strongly urged the necessity for additional data and further study of facts with reference to a number of important phases of the broadcasting industry, including monopolistic trends, competitive practices, and contractual relationships between chain companies and network stations; and

"Whereas it has been charged that certain monopolistic practices or trends which would result in monopoly in radio broadcasting exist or may exist; and

"Whereas the Federal Communications Commission has not undertaken to make available complete facts and data which would establish the truth or falsity of such charges: Therefore

"It is ordered, That the Federal Communications Commission immediately investigate these charges and that a committee consisting of three Commissioners be appointed by the Commission to conduct hearings and otherwise to fulfill the requirements of this order."

William S. Paley, President of the Columbia Broadcasting System, while promising cooperation in an inquiry that may be ordered denied that CBS is in any sense monopolistic.

"Since its entry into the field in 1927, Columbia has grown to a network of 114 stations of which eight are owned and one is leased by CBS", Mr. Paley said. "The remainder have voluntarily associated themselves with Columbia, and thus received national and international programs not locally available."

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15 CHARGES AGAINST RADIO READ IN THE HOUSE

Fifteen "indictments" of the Federal Communications Commission and the broadcasting industry were made in the House on Thursday by Representative McFarlane (D.), of Texas, while the FCC was fighting over the Craven monopoly resolution.

The list of charges, which was not read on the floor but was placed in the Record at the end of Representative McFarlane's brief speech, are as follows:

"Let us review some of these known existing evils that no one in Congress has yet defended.

"(1) It was demonstrated that radio censorship and dictatorship exists, not by the Government or any Federal agency but by the vested interests and the radio monopoly.

"(2) That radio and motion pictures, the main means of controlling and molding public opinion, are in the hands of the Telephone and Radio Trust, with television about to be added.

"The Natural Resources Committee pointed out that television may become a wonderful boon or if misused and misregulated a horrible monster. To permit the present Communications Commis-

sion, as it has in the past regulated radio, or rather misregulated, is a thing that Congress must prevent, and one way we can do it is by cleaning up the radio cesspool.

"(3) That the public are in the process of being fleeced by stock racketeering in radio securities.

"(4) Specific evidence was presented to show that the S.E.C. is helpless to cope with the present Columbia Broadcasting System's stock-issue registration and distribution, which has the appearance of fleecing an innocent investing public; neither can it cope with the issuance of securities by R.C.A., which controls all of the stock of N.B.C.

"(5) That the trafficking in radio frequencies for which broadcasting companies pay the Government nothing, has proven a flourishing racket.

"(6) That the FCC was on the verge of giving two frequencies allotted to the Navy to the Columbia Broadcasting System. A situation which has all the appearances of another Teapot Dome.

"(7) That the FCC officials have admitted the present existence of the radio monopoly and its racketeering practices and are either unwilling or unable to protect the public and enforce the law. And this monopoly costs the Government $2,262,375 annually to maintain the Federal Communications Commission to grant free licenses to this monopoly to enable this monopoly to take from the public through advertising over $140,000,000 annually, with no regulation of the advertising rates to be charged.

"(8) That unfair competition prevails whereby privileged individuals, with unusual political connections, are enriched by millions of dollars through the continued holding of so-called experimental licenses.

"(9) That the consent decree of 1932 contains elements so suspicious that they fairly shout for complete exposure.

"(10) That two governmental agencies, the FCC and the FTC, specifically instructed to protect the public against monopoly and monopolists, are either unable or unwilling to enforce the law.

"(11) That the Radio Trust has a complete monopoly of the 40 cleared channels.

"(12) That 93 percent of all the broadcast power is in the hands of this monopoly.

"(13) That radio control of newspapers is a widespread evil.

"(14) That the illegal monopoly cnditions existing before the consent decree of 1932 were not changed by that decree and still flourish.

"(15) The dissemination of indecent, vulgar, nightmare broadcasting programs, which excite the children so they cannot sleep and nauseates the grown-ups in thorough disgust of such programs."

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SPECIAL EXPERIMENT ON MILEAGE RULE RECOMMENDED

A special experiment to determine whether or not there will be interference resulting from the simultaneous operation of two broadcasting stations at less than the mileage separation proscribed by the Federal Communications Commission was recommended this week by Examiner Robert L. Irwin.

Reporting on an application from the Westchester Broadcasting Corporation, which operates WFAS at White Plains, N. Y., for authority to experiment with simultaneous operation with WBRB, at Red Bank, N. J., on 1210 kc., Examiner Irwin recommended that a permit be granted.

Regarding the proposed experiment, he says:

"The applicant has engaged a qualified engineer to make a field contour map based upon measurements to be made at the 0.5, 1 and 2 millivolt per meter contours of each of the stations involved on 1210 kilocycles. While such measurements are being made there will be a one-minute interruption in the transmission period of Station WFAS so that both the composite signal and the signal delivered by Station WBRB may be measured. In this manner the existing ratios may be carefully studied.

"The operation of Station WFAS as proposed will not cause objectionable interference to the normally protected contour of any existing station. Stations WINS and WNEW have applications pending to increase their power assignment to 5 kilowatts during the daytime. If the applications of Stations WFAS, WINS and WNEW were granted, the operation of WFAS would limit that of WINS to its 3 millivolt per meter contour and WNEW to its 1.7 millivolt per meter controu. The latter stations would be limited to the extent shown by the operation of WFAS on its present operating assignment. The granting of the present application from Station WFAS would merely increase the number of hours in which WINS and WNEW experience the interference without increasing the magnitude of the interference."

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CONNOLLY DENIES HEARST RADIO DEALS

Reports current in radio circles that William Randolph Hearst is negotiating to dispose of his radio properties, including ten broadcasting stations, were denied this week by Joseph V. Connolly, Chairman of the Board of Hearst Radio, Inc., according to the New York Times.

"The only Hearst station involved in a sale is KEHE, Los Angeles", Mr. Connolly said. "Report of the sale or prospective sale of WINS, New York; KOMA, Oklahoma City; KSTA, San Antonio; WACO, Waco, and KNOW, Austin, is untrue.

"We have from time to time received offers for our stations, but KEHE is the only one we have sold and that to Earle C. Anthony of Los Angeles, owner of KFI and KECA. He has signed a contract, but execution of the deal has not been completed. The figure is $400,000."

While the Federal Communications Commission has received no applications for transfers from Hearst, authors of the reported negotiations insisted that a deal was under way although not consummated.

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NEW APPELLATE COURT FOR FCC PROPOSED

A court to hear appeals from rulings and orders of the Federal Communications Commission, the Board of Tax Appeals, Federal Trade Commission, Interstate Commerce Commission and similar Government organizations would be established under a bill introduced this week by Senator Logan (D.), of Kentucky.

The court would be known as the United States Court of Appeals for Administration, and would sit in the District of Columbia except when circumstances required that it sit elsewhere. A Chief Justice and 10 Associates appointed by the President for life or during good behavior would compose the court, with salaries of $12,500 annually. The court's rulings would be subject to review only by the United States Supreme Court.

Appeals from FCC decisions now go to the U. S. Court of Appeals for the District of Columbia.

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"ZENITH NURSE" RECALLS DARLINGTON'S DEVICE OF 1930

Announcement of the development of the "Zenith Radio Nurse" last week by the Zenith Radio Corporation caused E. S. Darlington, of the General Electric Company, who is in charge of the short-wave broadcasting there, to dig into his files this week and produce a story of a similar device that he rigged up in his home in 1930 as an aid in bringing up his young daughter.

Then merely engineer in the General Electric laboratories, Mr. Darlington first developed a scheme for keeping tabs on his infant when she cried at night. Later he worked out an ingenuous arrangements for transmitting parental orders to the child via short-waves.

The first invention, as described in a General Electric publicity release in October, 1930, said:

"When the Darlington infant arrived Darlington pere decided to put some of his mechanical ingenuity at work to bear some of the burdens of the householder. The baby, according to the best modern precepts, sleeps in a different room than the parents. Because of this isolation from the first-born there were hours of worry and sleeplessness. The baby might be crying or falling out of the crib or enduring the pains to which infants are subject.

"The answer was very simple. A telephone transmitter, used as a microphone was rigged up by the crib-side and connected by wire to an amplifier and a loud speaker close to the ear of the father. At the first cry of the baby, father is awake and alert. A phonograph at his side is turned on and a lullaby sounds through a loud speaker near the crib. If the lullaby fails to soothe, the father knows that some other form of attention is required, perhaps a bottle of warm milk, and then and not until then he enters the baby's boudoir."

Five years later when Jean Darlington grew a little older, her father rigged up a short-wave communication system in his home so as to save the family the trouble of looking around the neighborhood for her at meal time.

A newspaper feature article at the time described the working of the system thus:

"When the engineer wants his daughter to come home he merely turns to a portion of the apparatus of his private experimental radio station, twists a little knob and says, in a mild voice, as though conversing with someone at his elbow, 'Jean, dinner', or 'Time for your bath.'

"Without fail and within a very few minutes, depending on how far the youngster has strayed from the paternal roof, she will come trotting home.

"This happy result is achieved through the little rubber-tired cart that Jean takes about with her wherever she goes to play. Rigged to the cart is a light, but thoroughly efficient, combination radio receiver and amplifier, or loud speaker. This is attuned to the correct wave.

"The radio engineer's daughter does not, necessarily, play with this cart all the time, but she always takes it along and parks it near where she is playing. Mr. Darlington could reach her with his voice through this arrangement if Jean were five miles away. Ordinarily she does not go more than three or four blocks from her home. She may be playing fifty feet from where she has parked her wagon, and the loud speaker solves that, because she can then hear her father's voice. Or some other child may hear the broadcast and run and notify Jean that her daddy wants her."

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RADIO DEFAMATION - IS IT LIBEL OR SLANDER?

Defamation uttered over a broadcasting is, from a legal standpoint, comparable to malicious gossip repeated over a backyard fence, in the opinion of Edward J. Hickey, Jr., an attorney in the Department of Justice.

"Radio defamation", he asserted, "whether extemporaneously interpolated or read from prepared continuity, constitutes slander rather than libel".

His views, first published in the Georgetown University Law Journal, were carried in the Congressional Record March 17th in an extension of remarks by Senator Bone (D)., of Washington. They are supported by numerous court decisions.

"The question naturally arises - Why is it so important to decide whether radio defamation is libel or slander - what difference does it make? In answer to this it may be said that the distinction between the tort of libel and that of slander becomes important", he adds. "Any defamatory matter shown to be libel is, if untrue, actionable without proof that it has actually caused detriment to the person who is the subject thereof. In other words, once a plaintiff establishes defamatory matter as libel, the law will presume damage, and the allegation is therefore actionable per se. On the other hand, defamation amounting to slander, does not entitle the person defamed to maintain an action unless, either he can establish the slanderous words to be within the three categories

of imputation which are slanderous per se, or show that the words have resulted in some actual detriment to the complainant. Such actual detriment is called special damage, and it must be shown to amount to an actual pecuniary loss, a loss of some definite material advantage which is directly relative to the words complained of. Such damage is very often difficult to prove, and it is through an appreciation of this fact that we can better understand a plaintiff's desire to sound his action for radio defamation.

"If it now be accepted that the damage defamation may cause is not determinative of its character, it remains to indicate that speech read from written copy enjoys no more preferred status than that orally interpolated. The basis of the purported distinction proceeds on the premise that the reading over the air of written defamatory matter amounts to a publication of a libel. As it is the form of the imputation that determines the character of the defamation, and as that form must be permanent to constitute libel, it is difficult to see how the utterance of a radio commentator meets the requirements, whether he speak impromptu or reads from prepared script. In either case, as to the utterance, the form is just the same, the ebullition of fleeting moments, as the spoken work quickly 'dissolves'. To constitute a publication of the written matter it must necessarily follow that the defamatory script be circulated as such, for only in this way can the repetitions born of permanency be established. If for hypothesis, a defamatory script be circulated among the radio station announcers and engineers, and then later broadcast, it is submitted that such an act would constitute libel within the limited space of the radio station, and slander as to the station's audience."

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SIXTH POWER RATIFIES ANTI-PROPAGANDA PACT

The Union of South Africa has acceded to the broadcasting Convention which was drawn up in September 1936, World-Radio reports. Now that six powers have ratified or acceded, the Convention comes into force. The other five are Great Britain, India, Australia, Denmark, and New Zealand.

The Convention binds the signatories to eschew all broadcasting propaganda of a character likely to disturb international relations, and particularly news known to be false.

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McDONALD EXPLORES LANDS SIGHTED BY COLUMBUS

Commdr. Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, who is now on his way home after a two months' cruise aboard his yacht "Mizpah", reports some of his experiences in the section of the world first sighted by Columbus.

The following radiogram came from Trinidad:

"Tonight waiting for the Zenith Foundation Program, we are lying in Scotland Bay on the westeran coast of Trinidad, temperature about 80. Here we can look westward and see a northern tip of South America. Columbus reached Trinidad and saw the same sight of South America but thought it was just another island and went on back to Spain without bothering to call. Since leaving Miami on Februarh 3rd we have called at Havana and Isle of Pines which we put into because of weather; then Montego Bay in Jamaica, where the finest bathing beach in the Caribbean exists; then to Kingston, Jamaica. We then went on to Ciudad, Trujillo, Dominican Republic, where we entertained and were entertained by President Trujillo and his Secretary of State and Secretary of Foreign Affairs. President Trujillo wanted us to stay longer and use his Summer home Sans Souci. He also sent the Army band down to entertain us in the evening and during our entire stay we had Government cars and escorts at our disposal. Then on to Ponce Puerto Rico which was the anti-thesis of the cleanliness and prosperity that we had witnessed in the Dominican Republic.

"From there we sailed for the delightful Dutch Island of Saba which is nothing but a volcano with no harbor. Doctor and Mrs. Keeler, Gene Kinney and I went ashore in the dinghy and had a good ride over the rollers but landed right side up on the 25 ft. rocky beach of Saba. We climbed 900 ft. in the air to the village named Bottom, built in the crater of an extinct volcano. Cleanliness and relative prosperity were apparent on this little Dutch Island and I was delighted to find the Brigadier General, who has 4 soldiers under his command, the proud possessor of a Zenith farm radio with a wincharger. We paid our respects to the Dutch Governor and he, in turn, came down to the Mizpah, had dinner on board and spent the night with us, returning to his upstairs home in the morning. From there we called on the island of Barbuda one of the 64 wrecks since 1865. We approached the island at night but anchored 13 miles off in 12 fathoms of water, turned our searchlights toward the island and fished. We caught a five foot shark, which we turned loose after killing him, and then caught an eleven foot shark and found inside of him not only the five foot shark but also the octopus which I had shot with my revolver.

"In the morning we went in with the port launch and practically all of its thousand inhabitants were down at the wharf in the lagoon to meet us, but the only white man on the island, the warden, was not there. We found him out on the beach waving an English flag and carrying an official book of rules telling what to do in case of a wreck which he firmly believed the yacht was.

"We next called on the French Island of Guadeloupe spending a delightful day there. We then moved on a few miles south to the British Island of Dominica, and witnessed a native carnival and no shops or stores open. Even the harbormaster and the quarantine officers were dancing and singing along the streets with the rest of the people. All were colored, wearing screen masks to make them look like whites. At times hundreds of these chanting masqueraders gathered around our automobile, making it impossible to proceed, but were good natured every way.

"The next day we had an interesting drive over the French Island of Martinique from the port of Fort de France to the partially rebuilt city of St. Pierre at the base of Mount Pelee. In Fort de France we saw two staged fights between the mongoose and the fer de lance, one of our deadliest snakes. Needless to say the mongoose won both times.

"Then to the British island of St. Lucia, a clean and prosperous island with mountainous and glorious tropical scenery. Then to the island of Barbuda, interesting but too citified, and well termed the most British of the British possessions. From Barbuda, we called on Robinson Crusoe's island of Tobago, whose natives are nearly all black. They are unspoiled because tourist boats never call there. It's a beautiful little island which we hated to leave.

"And now we are on the island of Trinidad and from Port of Spain we shall make one or two calls at South America in Venezuela and will then head north. These islands of the Caribbean are beautiful and interesting but frankly as cruising ground I still like Georgian Bay best."

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An increase in power from 100 to 100-250 watts for KWOS, Jefferson City, Mo. was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin. KWOS is operated by the Tribune Printing Co., which publishes the Jefferson City Tribune.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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March 22, 1938.

RCA WINS ANOTHER ROUND OF FIGHT WITH MACKAY

The Radio Corporation of America this week got another favorable ruling from an Examiner of the Federal Communications Commission in its long drawn-out fight with the Mackay Radio & Telegraph Company over the latter's attempt to share international radio traffic now enjoyed exclusively by RCA.

Examiner R. H. Hyde submitted an unfavorable report to the Federal Communications Commission on Mackay's application for a permit to conduct a point-to-point radio telegraph service between several of its stations and Rome, Italy.

The Examiner's recommendation, of course, is subject to approval by the Commission, but it marks another distinct victory for RCA, which has been resisting Mackay's moves to establish contact with world capitals now served by RCA for several years.

The first and longest fight was over an application by Mackay for a permit to add Oslo, Norway, to its international service. The FCC denied this petition, however, and the matter was carried to the courts.

Examiner Hyde in his findings and facts and conclusions upon which he based his adverse recommendation said:

"1. The service proposed to be rendered by the applicant is similar to services available to the public over existing radio and cable circuits between the United States and Italy; the applicant does not propose to make any change in rates or to offer any new or improved service.

"2. The amount of traffic which applicant expects to handle on the proposed circuit is 180,600 words westward and 81,900 words eastward annually. From the evidence relative to these estimates it appears improbable that any appreciable amount of new communication business would result from operation of the new circuit. Such traffic as the applicant obtained for the new circuit, in all probability, would be diverted from existing services.

"3. Existing communication facilities between the United States and Italy are more than adequate for efficient handling of available traffic.

"4. The evidence with respect to content and character of all contract agreements and understandings with respect to the proposed new circuit indicates that the applicant's contract with Italo-Radio provides for the same charges and divisions of tolls as the contract of the Italian company with R.C.A. Communications, Inc., with provisions, however, for notation of a Mackay 'via' on telegrams received from the applicant and a further provision under which the applicant undertakes to deliver 700 transit messages a month to Italy. There is no evidence of any contract between applicant and International Telephone and Telegraph Corporation with respect to the proposed new circuit.

"5. The evidence with respect to the nature of foreign terminal facilities available for the proposed circuit indicates that the new circuit, if established, would be forked with that of R.C.A. Communications, Inc., and also with other points of communication; that facilities are not available at the foreign end of the proposed circuit to provide for simultaneous operation of competing American circuits.

"6. The evidence indicates that establishment of the proposed circuit would result in a further division of a relatively small volume of traffic among carriers subject to the Communications Act of 1934 and that the interests of such carriers would be adversely affected by loss of revenue thereon.

"7. The situation with respect to the new communication circuit proposed in the instant applications is similar in its most important phases to that disclosed in the Oslo cases (applications of Mackay Radio and Telegraph Companies, Docket Nos. 3336, 3337, and 3338) in which the Commission found that the public interest, convenience and necessity would not be served by the establishment of an additional circuit. Accordingly it is concluded that the applicant has not shown that the granting of these applications would serve public interest, convenience or necessity."

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HOUSE VOTES MEMORIAL TO "FATHER OF RADIO"

The House of Representatives this week passed a joint resolution authorizing the Marconi Memorial Foundation, Inc., to erect a monument to Guglielmo Marconi, "the father of radio" in the National Capital at a spot to be chosen.

The resolution must pass the Senate and be signed by the President before it becomes a law. The memorial is to be built by voluntary contributions being raised by the Marconi Memorial Foundation.

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SENATE GROUP SYMPATHETIC TO RMA APPEAL

The campaign in Congress to repeal or reduce the 5 percent radio excise tax was renewed by the Radio Manufacturers' Association at a public hearing late last week before the Senate Finance Committee. Assurances were given by Chairman Harrison that the industry's tax relief appeal would be given 'most careful and thorough consideration.'

Bond Geddes, Executive Vice President of RMA, presented, in oral argument and detailed brief, the numerous reasons for complete repeal or substantial reduction of the tax. President Leslie F. Muter of the RMA, of Chicago, attended the hearing, and a dozen Senators were so interested, with numerous questions, that the RMA time for presentation of the industry's tax relief plea was trebled. The Senate Committee will act on the bill soon, probably within a fortnight.

That radio, broadcasting as well as manufacturing, should be free of any special tax because of its tremendous public service and general use, was emphasized in the presentation of RMA to the Senate Committee. Widespread support came from the trade, in letters to the Committee and individual Senators, including formal resolutions from the Retail Merchants' Association, of San Francisco, and other trade organizations. Further active support was given by the Radio Servicemen of America and its membership in many local sections. Senators also are receiving appeals from many distributors and dealers.

That radio should be the first excise tax repealed or reduced, because of its position as the greatest agency of mass communication, was contended vigorously by Mr. Geddes in his discussions with Senators and the extended brief filed also by RMA. Provisions of the House bill proposing repeal of excise taxes on outright, undeniable luxuries, including furs, sporting goods, cameras, and chewing gum, was sharply criticized and demand made that the radio tax be given prior consideration to any and all of the luxury-repeal provisions of the House bill. Pointing out that the revenue reduction involved in repeal or modification of the radio tax would be less than on any of the principal excises repealed in the House bill, Mr. Geddes cited the sharp reduction in manufacturing and sales, and estimated unemployment in the industry of between 40,000 and 50,000 radio workers.

In asking, first, for repeal, if possible, of the entire radio tax, or a reduction to at least 2½ or 3 percent in the rate, depending on the government's revenue requirements in the pending legislation, the Senate Committee also was asked specifically to exempt police, marine aircraft, public address, and other commercial radio, also to clarify the present law for loud speaker, amplifier, and other parts manufacturers.

Chairman Harrison inquired regarding proposals to tax broadcast stations, and Mr. Geddes, opposing the broadcasting tax, declared that it was exactly as unsound in principle as the special tax now in effect on radio receiving apparatus.

Senators King, of Utah, Bulkley, of Ohio, Townsend, of Delaware, and others expressed interest in television and facsimile experiments. To a suggestion that television was being deliberately delayed, Mr. Geddes cited financing and engineering problems of great magnitude remaining, and the territorial difficulties between television service of Great Britain and the vast continent of this country. That facsimile promised more immediate application was stated.

Further difficulties in securing repeal or reduction of the radio or any other of the various excise taxes was increased by House action rejecting the proposed 'family corporation' tax, reducing the revenue bill by $20,000,000 or more. That the Senate might find it necessary to restore the 'nuisance' taxes repealed in the House bill has been informally discussed. The Senate Committee was urged that preferential and prior tax relief should be granted radio if any excise taxes whatever are repealed or reduced in the Senate.

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CALDWELL URGES INDUSTRY TO FIGHT PERILS

Seeing a threat to the American system of privately-owned broadcasting in various moves now under way, O. H. Caldwell, former Federal Radio Commissioner and now editor of Radio Today, calls upon the radio industry and listeners to awake to the perils of government ownership as it operates abroad.

Writing in the current issue of his magazine, Mr. Caldwell says:

"Radio in the United States today is free!

"It is free to the listener.

"It is free of government control.

"And it can be used freely by those who have a message to tell. Having so far avoided the government muzzling and taxing which hampers radio in other countries, American radio is first, last, and all the time, a popular servant of the people!

"As a result American broadcasting supplies the finest programs anywhere in the world. The most costly talent is an everyday affair. Music, news, drama, and entertainment are available 18 hours a day, at the turn of a dial. All these come without cost - without fee - to every listener. In consequence the largest listening audience in the world - 37,000,000 radios - has been built up. Measured by the standards of radio in other

countries, American broadcasting is a shining example of progress for other nations to copy.

"But there are those who would tear down this splendid structure built in 'The American Way of Doing Things.'

"There are those who would impose intolerable burdens upon America's now-free radio - who would restrict its operation in ways detrimental to the public interest - who would inject the dangers of government operation into our free institution of broadcasting.

"These critics who themselves have contributed nothing to radio's vast record of achievement, would revamp and revise the present structure to fit their own whims or political arguments, unmindful that radio as it stands today has been tested through 15 years of searching trial and effort.

"These critics seize upon single minor incidents of program oversight, such as the Mae West broadcast - yet overlook the hundreds of thousands of hours of wonderful musical and cultural programs which are the rule in broadcasting. And, frowning at radio, they overlook the far more objectionable obscene text and pictures which certain illustrated magazines are bringing into American homes, carried by U.S. mailmen.

"Others of these tinkerers - and wreckers - of American radio, would put impossible taxes on American broadcasting stations. The Boylan bill, proposing a tax ov $1 per watt on small stations, and $3 per watt on large ones, is an example of this vicious attempt to control broadcasting through intolerable taxes.

"Others would eventually head American radio into government control and government operation, substituting Washington bureaucrats and political appointees for present highly-paid entertainment executives chosen by reason of their expert qualifications alone.

"And in the wake of government control and operation, would come a Federal license on radio receiving sets - a pall on home enjoyment and education in the form of the heavy hand of the government tax-collector, taxing sets and tubes.

"These are some of the steps in the vicious program of federal control and taxation, already disclosed by movements underway at Washington.

"It is time, therefore, that radio men and radio listeners woke up to the presence of the forces that are about to imperil radio listening and 'the American Way of Doing Things.'

"American broadcasting - like all other human institutions - has some faults. But broadcasting's short-comings are minor - and merely serve to accentuate the merits of an otherwise magnificent - truly miraculous - public service. American broadcasting is sound and healthy, and has grown strong and vital under its own initiative.

"In the best interests of American radio, the present system must be retained along its present broad principles of private operation.

"Government ownership of broadcasting.

"Censorship of programs.

"Limitation of station service.

"Political domination of radio.

"Bureaucratic administration of programs.

"Taxes or licenses for radio listening.

"Those are not 'the American Way of Doing Things'."

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INTER-FAMILY PROFIT HELD ILLEGAL BY FCC EXAMINER

A broadcasting station cannot be sold within a corporate family at an inflated value, or with a substantial allowance for goodwill or going concern value, in the opinion of Examiner P. W. Seward of the Federal Communications Commission.

He submitted an adverse report on the application of the Travelers Broadcasting Service Corporation, which operates WTIC, Hartford, Conn., and several short-wave stations, to transfer its licenses to the Travelers Broadcasting Company.

Fortifying his conclusions by numerous citations of law and court decisions, Examiner Seward said, among other things, "there seems to be no doubt that a radio broadcast stations is a public utility" but that this does not make it a common carrier.

"Since the courts will not permit a public utility to add any amount as a separate item to the value of its property after valuing the assets upon the basis of a plant in successful operation, for 'good will', 'franchise', 'past losses', 'going value', 'pioneer losses', 'development expense', or any other similar item for the purpose of fixing the value of its properties for rate making purposes", the report stated, "it is quite clear that such items may not be considered as separate items to be added to the value of the physical properties of a broadcast station that is a going concern in successful operation, in arriving at the value of the properties for the purpose of sale.

"The total consideration to be paid by the Assignee for the properties here involved, accounts receivable, contracts, and the assignment of the licenses, is $2,000,000, all of which will be paid to the parent company. Of this sum, $500,00 is for the properties, the value fixed by the parent company as a going concern in successful operation; $1,500,000 is to pay an obligation of the assignor which has been assumed by the assignee and is the consideration being paid by the assignee to the assignor for the accounts receivable, contracts - the value of neither of which has been shown - and the assignment of the licenses.

"For this Commission to grant this application and thereby approve the various transactions herein set forth, would be to point the way and blaze the trail to a 'by-pass' around the various provisions of the law which would amount to a nullification thereof. If the owner of a broadcast station may artifically enhance its capital structure in the manner herein shown by capitalizing its past losses or 'development expense', thereby pyramiding its intangible assets, or by attaching a value to the license issued to it, and such acts are approved by the granting of an application, it would be a recognition by this Commission of authority by the licensee of a radio broadcast station to capitalize its past losses or 'development expense' or

would recognize a 'property right' in the license for the use of the frequency, which is prohibited by the provisions of the Act, and which has long been prohibited in thecase of other public utility services."

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UNSETTLED PRICES RETARD RADIO TRADE, SURVEY SHOWS

With the radio manufacturing industry still trailing 1937 figures, Dun & Bradstreet, Inc., New York financial statisticians, this week blamed unsettled prices and burdensome stocks of both wholesalers and retailers.

Evidence of a definite upturn in either production or sales, the report stated, were still absent in mid-March.

Simultaneously, Radio Today published the first complete figures on sales of radio sets and tubes in 1937.

"Exceeding most estimates and expectations, radio sets sold by manufacturers in the fourth quarter of 1937, totaled 1,992,980, bringing the year's total up to 8,064,780", the trade magazine stated. "The 1937 total thus came within 2 percent of the 1936 record, 8,248,755 sets. These figures, obtained from licensees, refer to number of sets reported sold by manufacturers to distributors and dealers. Actual sales to the public are believed to be considerably less, owing to the large inventory carried over by the trade in warehouses and retail stocks.

"Tube sales reported by manufacturers for the last quarter of 1937 fell off to 18,278,000 units - only 59 per cent of the same quarter of 1936. The total tube sales for the year 1937 - both initial equipment and replacement tubes - thus totaled only 92,055,000 tubes, or 6 percent below 1936."

"Neither production nor distribution of radio sets for the two opening months this year equalled the 1937 January-February totals", said the Dun & Bradstreet report. "Aside from the brief spurt during the Christmas shopping season, demand has narrowed progressively since the sudden shrinkage in sales last September. Totals for the first nine months of 1937 were larger in most divisions than the comparative 1936 figures; for each subsequent month, the percentage loss from the previous year was widened. Evidence of a definite upturn in either production or sales still was absent at mid-March.

"Inventory reduction has been slow, despite price cuts as deep as 50 percent on some receivers. Stocks held by manufacturers on March 1 were considered not excessive, due to drastic production curtailment in the fourth quarter of 1937. With both wholesalers and retailers, however, inventories still were burden-

some. This was expected, as the trade was geared during the first nine months for a 9,000,000-set year.

"Few factories turning out radio sets have operated at more than 60 percent of capacity thus far this year. In the comparative period of 1937, full schedules were maintained, and the backlog of orders was rising, despite rates of 25 to 50 percent higher than for the 1936 months. To meet current demand for low-priced units, some manufacturers of nationally-advertised consoles have turned to the production of table models to retail at $19.95 down to $9.75. This move apparently was to combat the inexpensive 'no name' merchandise, which had cut dealers' volume.

"Retail sales thus far this year have fallen 30 to 50 percent below the 1937 comparative. Competition has been severe, and even the reduced volume was built largely by the unusually liberal allowances extended for old radio sets. Demand shifted abruptly in the final quarter of 1937 from consoles to inexpensive table models. Automobile sets have sold well, especially to used-car owners. Sales progress was reported as the most satisfactory in the South and on the Pacific Coast. Business in agricultural areas was better than in industrial districts.

"Little benefit accrued to either manufacturers or retailers from the modest price advance made last June, when 1938 models were introduced. By October, weakness was apparent in most divisions, and retail prices in some of the large cities were entirely demoralized by the end of 1937. Since January all kinds of prices have obtained, with some sales made virtually on a bargaining basis.

"Officially off as much as 50 per cent, additional discounts surreptitiously given and excessive trade-in allowances have rocked price standards to a noticeable degree. Some State resale price rulings collapsed, retailers abandoning even the pretense of adherence to producer quotations. No stability was expected before June, when the 1939 models doubtless will be adjusted to lower levels."

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FCC WARNS OF FALSE AUTO ALARM SIGNALS

The Federal Communications Commission has ascertained through a study of ship and coastal radio station logs that false operation of auto-alarm installations has been caused by coastal stations transmitting a series of dashes or "V's" for the purpose of frequency checking, it was disclosed this week.

With a view toward eliminating such possible false actuation of auto-alarms by signals transmitted for this purpose, the Commission has cautioned operators of coastal stations against transmitting any combination of signals on the frequency of 500 kilocycles, which in any way might simulate the auto-alarm signal.

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TIME AND PROCEDURE OF FCC INQUIRY IS VAGUE

While the Federal Communications Commission is on record as having ordered a broad investigation of broadcasting, all inquiries as to the time when the inquiry will start and the procedure to be followed have met with vague answers.

Moreover, there is no evidence that the split within the Commission has been healed by adoption of the McNinch resolution by a vote of 6 to 1.

The FCC action, regardless of its outcome, is expected, however, to forestall any Congressional investigation of broadcasting and the FCC this year. Next year there will be another Congress, and all pending bills proposing such inquiries, including that of the late Representative Connery (D.), of Massachusetts, will die in the interim.

Members of the Commission are understood to be still divided on the issue of whether the inquiry should be conducted by the whole body or by a select committee with the members who composed the old Broadcast Division left off. The members are Judge Eugene O. Sykes, former Chairman, and Norman Case, a Republican from Rhode Island.

The Mutual Broadcasting System announced this week that it welcomes the decision of the FCC to make a thorough investigation of the operations of broadcasting chains, and pledged wholehearted cooperation.

The Mutual network made public a message telegraphed Sunday to the Hon. Frank R. McNinch, Chairman of the Commission: "Having learned of the action taken yesterday by the Federal Communications Commission in voting for an inquiry covering the thirteen points on chain broadcasting operations, please be advised that we offer fullest cooperation. We place our personnel and records at the disposal of the Commission and await notification as to how best we may cooperate."

The telegram was jointly signed by Alfred J. McCosker, Chairman of the Board, and W. E. Macfarlane, President.

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Three Japanese newspapers have private facsimile services between Tokyo and the city of Fukuoka, important city on the islane of Shikoku, located southeast of the main island of Honshu. The newspapers include the Osaki Mainichi, the Tokyo Nichi Nichi, and the Hochi. All of the foregoing papers use the apparatus manufactured by the Nippon Electric Co. They also own and operate portable apparatus, and are equipped to send material from anywhere in Japan to Tokyo.

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NAB POSTPONES MEETING TO SELECT PRESIDENT

Directors of the National Association of Broadcasters have postponed a meeting scheduled for March 21st to select a paid president until March 30th.

Philip G. Loucks, acting counsel and administrator of the NAB, said that the Executive Committee engaged in studying and interviewing candidates for the job have not completed their report.

"The Committee has found its task more difficult than first anticipated", he explained, "and although every effort has been made to get the report ready for the scheduled Board meeting the time was found to be too short."

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RECORDING DEVICE IN U.S. COURT VOTED BY HOUSE

Installation of recording devices similar to those used in taking down broadcasts for rebroadcasting as an experiment in the United States District Court in Washington was voted by the House this week.

A resolution proposed by Representative Hobbs (D.), of Alabama, authorizes the experiment. The author proposed to extend the system to all U.S. District Courts if the test proves successful in expediting appeals.

As contemplated by Representative Hobbs, the recording of a trial will enable the U.S. Court of Appeals or even the U.S. Supreme Court to listen to the full trial of a case without a rehearing.

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Wednesday of this week marks the anniversary of fifteen years in radio for G. W. (Johnny) Johnstone, who, as Director of Public Relations for WOR-Mutual, has played an important role in the phenomenal growth of America's latest coast-to-coast network. Mr. Johnstone's career has kept step with broadcasting from its pioneer days. His background of experience includes journalism, familiarity with the technical aspects of radio, music and myriad public relations contacts. Before coming to WOR he held the post of Director of Press Relations at the National Broadcasting Company, and in 1931 assumed the duties of Assistant to M. H. Aylesworth, then President of NBC.

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I.T.T. 1937 INCOME MORE THAN DOUBLE 1936

The International Telephone and Telegraph Corporation and subsidiaries reports for the year ended December 31, 1937, consolidated net income of $10,236,148 as compared with $4,009,103 for 1936.

There were approximately 696,500 telephones operated by telephone subsidiaries (exclusive of Spain) at December 31, 1937, a net increase in excess of 50,000 during the year. Gross telephone operating revenues for 1937 amounted to $32,476,000 as compared with $26,751,000 for 1936.

Cable and radiotelegraph operations produced gross revenues in the amount of $5,327,000 in 1937 as compared with $4,931,000 in 1936.

Sales by the manufacturing subsidiaries for the year 1937 were the highest in the history of the Corporation, amounting to over $82,000,000. More than $100,000,000 in orders were received during the year and orders on hand January 1, 1938, were in excess of $60,000,000 as compared with approximately $40,000,000 at the beginning of 1937.

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ZENITH REPORTS $1,418,978 OPERATING PROFIT

Zenith Radio Corporation, of Chicago, has reported a consolidated operating profit for the first nine months ended January 31, 1938, of its current fiscal year amounting to $1,418,978, after depreciation of excise taxes and liberal reserves but before provision for Federal Income and Excess Profits Taxes or Undistributed Profits Taxes, as per the Company's books, Hugh Robertson, Vice-President and Treasurer, reported this week.

"In view of the unexpected change in general business conditions last Fall, the Company felt it advisable to greatly curtail production and operating expenses", Mr. Robertson said. "Although employees volunteered wage and salary reductions, the officers felt that until general business conditions became more definitely alarming, it was not necessary for us to impose such a penalty upon our people.

"Our new product 'Radio Nurse', recently announced, is creating unusual public interest, and although it is too early to definitely forecast sales possibilities, we are anticipating a very substantial volume with resulting contribution to our profits."

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Arthur H. Samuels, Executive Producer of Station WOR, Newark, and a former newspaper man and editor of several magazines, died in Doctors Hospital, New York, Sunday morning after a three-day illness.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1111

S-W PROGRAMS STUDIED AS U. S. STATION IS URGED

The President's special Inter-Departmental Committee engaged in studying international broadcasting, with particular attention to European propaganda transmitted to the Latin American Republics, this week conferred with American short-wave station operators on the type of programs they broadcast.

At the same time Congressional Committees were being urged to hold hearings on bills in the House and Senate to authorize construction of a government-owned Pan American short-wave station either in Washington or California.

Representatives of the National Broadcasting Company, Columbia Broadcasting System, General Electric Company, Westinghouse Electric & Manufacturing Company, and the World Wide Broadcasting Foundation met with Dr. John Studebaker, U.S. Commissioner of Education, and a sub-committee of the Inter-Departmental Committee headed by Chairman Frank R. McNinch of the Federal Communications Commission.

Dr. Studebaker's investigation is directed at the educational possibilities of short-wave broadcasting as well as present programs, whereas two other sub-committees are studying the technical facilities and the general programs.

A meeting of the full Committee is scheduled for Monday, at which time the sub-committees will make preliminary reports.

At the sub-committee conference, ways and means of improving the American service to Latin American countries was discussed at some length, but no conclusions were reached. The consensus, however, was that short-wave stations which now hold licenses but fail to utilize their facilities to the best advantage should be made to show cause why they should continue operation.

Spokesmen for the commercial organizations now operating experimental short-wave stations without profit, because of Federal Communications Commission regulations, also put in a word for at least a modification of the ban on commercial advertising in international broadcasting.

Meanwhile, authors of House and Senate resolutions to build a government-owned Pan American station are confident that hearings will be started in April.

Representative Celler (D.), of New York, has a bill before the House Naval Affairs Committee, while Senators Chavez (D.), of New Mexico, and McAdoo (D.), of California, have a measure before the Senate Interstate Commerce Committee.

Representative Celler's bill proposes that the station be erected in Washington, as originally planned at the Inter-American Conference in Montevideo in 1933, while the Senate resolution specifies California without designating an exact location.

While Administration leaders undoubtedly will hold up any Congressional action on either bill until after the President's Committee makes its report, members of Congress are evidencing increasing interest in the subject.

Broadcasters, especially in the short-wave field, meanwhile are expanding their services in an effort to convince the Inder-Departmental Committee, the Administration, and Congress that privately controlled stations can do a better job than the Government could.

Behind the whole activity is the fear that once the Government takes a hand in broadcasting, even in the international field, it might move in on the domestic scene.

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NAB GROUP IN CONSTANT SESSION ON PAID PRESIDENT

With the selection of a paid president to head the National Association of Broadcasters still undecided, the Executive Committee is meeting in Washington in an effort to have its recommendation ready for a scheduled meeting of the Board of Directors on March 30th.

The Committee meeting began Thursday, and Philip G. Loucks, special counsel and administrator, said it will continue until the Directors' session.

No information is being given out officially on the deliberations, but indications are that the broadcasters are having a difficult time finding the man they want who will take the job.

A rumor that the advice of the President was being sought in the selection was started after Mark Ethridge, Acting Chairman of the Executive Committee, called at the White House. This could not be confirmed, however.

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FCC ISSUES RENEWAL OF WCAM OVER PROTESTS

Despite the testimony of two members of its own law department, the Federal Communications Commission this week renewed the license of Station WCAM, owned by the City of Camden, N. J., which allegedly had leased its facilities to the Broadcasting Advertising Company in violation of Section 310(b), of the Communications Act.

The lawyers said that their investigation showed WCAM had been leased in direct violation of the Act, and several members of the Commission opposed granting the renewal until after a more complete investigation.

Upon motion of Judge Eugene O. Sykes, however, the license was renewed. He was supported by Chairman Frank R. McNinch, Thad H. Brown, and Norman Case.

Commissioners who voted against the motion were T.A.M. Craven, George Henry Payne, and Paul Walker.

Apparently fearful of political repercussions, the FCC late this week issued a formal "correction" on a previous report of the voting of the Commissioners on the City of Camden station renewal.

The statement read:

"With reference to the application of the City of Camden, Camden, New Jersey, for renewal of license, Commissioner Sykes moved that the application be granted, seconded by Commissioner Brown. Commissioners McNinch, Sykes, Brown and Case voted 'aye'; Commissioners Craven, Payne and Walker voted 'no'.

"Commissioner Walker moved that the station be given a 60-day temporary extension of license, seconded by Commissioner Payne. Commissioners Craven, Payne and Walker voted 'aye'; Commissioners McNineh, Sykes, Brown and Case voted 'no'."

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A. F. OF L. S-W STATION LICENSE SET FOR HEARING

The application of the Chicago Federation of Labor for renewal of its international broadcast station license to operate W9XAA, Chicago, was set for hearing this week by the Federal Communications Commission.

The action gave credence to a rumor that the FCC is preparing to eliminate short-wave stations which do not provide good service to foreign listeners.

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5 KW. POWER RECOMMENDED FOR UNIVERSITY STATION

An increase in power from 1 KW to 5 KW for Station WILL, Urbana, Ill., operated by the University of Illinois, was recommended to the Federal Communications Commission this week by Examiner P. W. Seward.

Examiner Seward hled that there is a need for the added service and that the greater power would add 1,500,000 listeners to the educational station's listening area.

While admitting that the power increase would hamper somewhat neighboring commercial stations, Mr. Seward said:

"The interests of Stations WCHS, WKZO and WIND will not be adversely affected to a material extent, as compared to the benefits to be derived by the granting of this application. It has been shown that increased interference will occur in that part of the normally protected service area of Station WIND in the State of Illinois near Urbana. This area receives a similar service to that rendered by Station WIND from stations situated in the Metropolitan area of Chicago. The increased power requested by the applicant herein will enable Station WILL to lay down a stronger signal in this area than at present and will give the station a wider coverage for the dissemination of its educational programs.

"If this application and an application to establish a new radio broadcast station at Wisconsin Rapids, Wis., are both granted and the stations placed in simultaneous operation, the station at Wisconsin Rapids would experience interference from the operation of Station WILL to approximately the 1.3 mv/m contour. No objectionable interference would be expected to Station WILL from the operation of the proposed Wisconsin Rapids station. In view of the increased population (approximately 1,500,000), that would receive service from Station WILL, a State-owned educational station, if operated as proposed, it appears that it would be in the public interest to grant this application."

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FCC TO PROBE A.T.&T.- RCA TIE-UP

The Federal Communications Commission voted Wednesday to investigate the contractural relations between the American Telephone & Telegraph Co., and the Radio-Marine Corporation, subsidiary of the Radio Corporation of America.

The Commission said the investigation would be made in connection with a study of radio requirements for safety purposes for ships navigating the Great Lakes and inland waterways. This survey is being directed by Commissioner Thad H. Brown.

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RADIO INDUSTRY FOLLOWS HOUSE PATENT HEARINGS

The radio and communications industries this week were represented at a hearing before the House Patents Committee on two bills proposing compulsory licensing of patents after three years and prohibiting a monopoly on patent control.

No action is expected at this session of Congress. The hearings are being conducted by Representative O'Malley (D.), of New York, as head of a sub-committee under Chairman Sirovich (D.), of New York.

During the first part of the hearing Representative McFarlane (D.), of Texas, arch critic of the radio and broadcasting industry, charged that television progress would be retarded unless Congress takes steps to break up the "patent monopoly" of the American Telephone & Telegraph Company.

Representative McFarlane is the author of the bill which would require the licensing of patents after three years. The other measure was drafted by Representative Connery (D.), of Massachusetts.

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FCC EXEMPT FROM PRESIDENT'S REORGANIZATION PLAN

The Federal Communications Commission is specifically exempt from the provisions of the Administration's Reorganization Bill which the Senate was debating this week.

The FCC is listed as one of the "independent establishments" which will be retained as such and will not be subject to any transfer or consolidation that the President may effect.

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Construction permits for two small broadcasting stations were recommended this week to the Federal Communications Commission by Examiners. The applicants are: Sherman V. Coultas, Milton Edge and Hobart Stephenson, of Jacksonville, Ill., for 1310 kc., 100 watts, unlimited; and Y. W. Scarborough and J. W. Orvin, of Charleston, S. C., for 1210 kc., 100-250 watts, unlimited.

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MACKAY LINE TO WARSAW OPPOSED BY FCC EXAMINER

On the heels of an unfavorable report on the application of the Mackay Radio & Telegraph Company for a permit to establish radio communication with Rome, Itlay, Examiner R. H. Hyde this week recommended a similar denial on Mackay's application for a permit to connect with Warsaw, Poland.

As in the two previous hearings, RCA opposed the application on the ground that it already is providing adequate service.

Alfred E. Smith, as one of the Trustees of the Postal Telegraph Company, was represented at the hearing as an intervenor.

Examiner Hyde's recommendation was based on grounds almost identical to those listed in the report on the Rome application.

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STATIONS NOT LIABLE UNDER NEW FTC LAW

Broadcasters, as well as newspaper publishers, are specifically exempt from liability in connection with the dissemination of false and misleading advertisements under provisions of the Wheeler-Lea bill signed this week by President Roosevelt.

They are required, however, to submit all information requested about the sponsors to the Federal Trade Commission, which will administer the act.

Authority of the FTC is extended to include radio and other advertising of foods, drugs and cosmetics, heretofore controlled by the Department of Agriculture.

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An agreement has been signed between the Minister of Posts and Telegraphs in Persia and the German Telefunken Company for the erection of a short-wave transmitter in the vicinity of Teheran, according to World-Radio. The aerial installation will include provision for directional and omni-directional radiation. The directed rays, it is stated, are destined particularly for European service, but the installation provides also for transmissions to North America and Australia.

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FCC AGAIN EXTENDS MONITOR RULE

The Federal Communications Commission this week further extended the working date of Rule 981 for a period of six months from March 15th. This rule requires all relay, international, television, facsimile, high frequency and experimental broadcast stations to have a frequency monitor in operation. It was originally made effective September 15, 1936. However, the working date has been extended from time to time until March 15, 1938, for the reason that monitors meeting the requirements are not commercially available, the FCC stated.

The monitors required by this rule do not have to be approved by the Commission but shall have an accuracy of at least one-half the tolerance allowed for the class of station with which used.

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RADIO LISTENING INCREASES WITH THE RECESSION

It's an ill wind that blows nobody good!

Radio listening is on the upgrade as theater attendance falls off with the recession.

A report of the Cooperative Analysis of Broadcasting, standard measurement of service of radio, this week disclosed that listening during January and February was well above 1937 and 1936. Variety, organ of the amusement industry, is authority for the statement that theater business has slumped.

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PRIEST CAN FORECAST WEATHER VIA RADIO

Father Alfred Bahner, a parish priest in the little village of Nussdorf, near Traismauer, in Lower Austria, claims that, by placing a radio headpiece over his ears, he can tell what sort of weather is approaching, according to World-Radio. Father Bahner has abnormally fine hearing, and can measure atmospheric pressure and movements of wind from slight vibrations of sound which would be inaudible to most people, writes their Vienna Correspondent. But he says that this responsiveness of the ear can be cultivated. He has several radio sets installed in a kind of observatory which he has constructed on the upper floor of his house adjoining the church, but he listens seldom to relays of speech or music.

"Fading" is his hobby, with variation of strength and quality, and "background noises", which determine his weather prophecies. His forecasts, which cover a radius of fifty miles or more, are for the following 24 hours. The Vienna Academy of Science and the Berlin Institute for the Investigation of Oscillations have both commended and encouraged him in his original scientific labors.

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TRADE NOTES

Charles Michelson, New York Electrical Transcription firm is expanding its facilities, and has already augmented its sales staff with the addition of Aaron Hanger, formerly of the Publicity Department of New York University, and Jerome Diamond, recently with the New York World's Fair Engineering Department.

Determination of minimum wage scales for the radio manufacturing industry under the Walsh-Healey Act relating to government contracts is being planned by the Department of Labor. The RMA has been invited to cooperate and procedure will be considered at the April meeting of the Association's Board of Directors. The minimum wages, which will be eventually determined by the Division of Public Contracts under the Walsh-Healey Act, will apply only to radio apparatus made for and sold to the government.

W2XE, CBS international station, has enlarged its program of short wave broadcasts directed toward the Latin-American countries, effective immediately, and has also added a second commentator to its Spanish-speaking staff.

An increase in power from 250 watts to 1 KW was recommended to the Federal Communications Commission this week for Station WDZ, Tuscola, Ill., by Examiner George H. Hill. The station operates on 1020kc., daytime.

Treasury collections last February of the Federal 5 percent excise tax on radio and phonograph apparatus declined 44 percent compared with February 1937 tax collections, largely based on the preceding January operations. The January 1937 decrease was 46 percent. Total collections last February of the radio tax were $260,580.34 against $464,853.41 in February 1937. For the eight months ending February 1938, the tax collections were 12 percent under those of the same eight months ending February 1937.



A power increase of from 1 KW to 5 KW was recommended for Station WKAR, operated by Michigan State College at East Lansing, Mich., this week by Examiner George H. Hill. WKAR operates daytime hours only on 850 kc.

Further improvement in coverage of the North Mountain States was announced this week by the National Broadcasting Company with the immediate addition to the networks of Station KPFA in Helena, capital of Montana. It will be NBC's 148th outlet. KPFA is the only station in that section of the State. It is owned by the People's Forum of the Air, and operates full-time on a frequency of 1210 kilocycles. Daytime power is 250 watts; night power 100 watts.

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GERMANY GIVES SECRET OF S-W SERVICE SUCCESS

The success of the world-wide short-wave broadcasting of the German Broadcasting System, according to Dr. Herbert Schroeder, its chief, is that the broadcaster never makes himself appear superior to his listener.

Reviewing the growth of the service on the approach of the fifth anniversary, April 1, Dr. Schroeder said:

"It has always been one of the chief characteristics of the program from Berlin that its builders never considered themselves superior to their listeners, and never aimed at 'improving' him in the common sense of the word.

"Their main guidance was the consideration that the listener is just a human being, craving for entertainment and enjoyment after a day's hard work and longing for information of an easily understandable kind about the ways and the art and music of the broadcasting country".

The German short-wave service was developed, he said, to link the Germans living abroad with their mother country.

"There are thirty million Germans and people of German birth or German stock living outside the boundaries of Germany, and of them roughly fifteen millions live scattered everywhere in overseas", he explained. "Their separation from the old homeland is not soothed by the fact, that they live in states of their own creation, as it is the case with the British in their Dominions and Colonies. Though being loyal citizens of their new states, these fifteen millions naturally have not only a sentimental but also a cultural longing for the country of their forefathers. Formerly this could be only satisfied by letters, papers, ships and other comparatively slow means of

communicationa. Radio here meant an enormous change. It placed them in immediate and constant touch with the motherland. Furthermore - interest in Germany is not confined to people of German stock. Germany, the land of scenic and architectural beauty, the land of the great automobile roads, of the fastest ships, aeroplanes and trains, the land of some of the greatest civic achievements of our age, of the Labor Service and of 'Kraft durch Freude' and last but not least, Germany the land of music is always new to the radio listeners in the world. Though German music is played by all radio stations of the globe - the world wants to hear it performed by musicians and conductors of the land which created it.

"The German short-wave station began its service from Zeesen, a little village in the neighborhood of Berlin, on April 1, 1933. There had been previous short-wave broadcasts from there - but they were experimental only and quite insufficient to provide a satisgactory service. The old wooden tower, and its round antenna, of this first attempt, are still to be seen as one of the relics of Zeesen. On the first of April, 1933, directional aerials were introduced at Zeesen and special programs designed for the short-wave listeners only. That was a great improvement. At first only one aerial, directed to North America, was set into operation with a daily program of two hours' duration. It became a tremendous success, and subsequently new aerials were installed. The antennaes for Africa, for South America and for Asia were erected early in 1934.

"In 1935 two more followed: for Central America and for South Asia - Australia. Today the German short-wave station operates a system of six beam aerials, embracing practically all inhabitable parts of the globe. They operate on a number of wavelengths in the 16, 19, 25, 31 and 49 meter bands, the call letters of which always commence with DJ. In correspondence to these six beams, there are six regional programs, so scheduled as to reach the listeners of the zones at which they aim, during the most convenient listening hours, i.e. late afternoon and evenings. Wherever he may be - the listener tuning in Germany, get his daily 6-8 hours of program designed to meet his wishes and interests. Furthermore there are always a few more hours of morning and mid-day broadcasts. From its original daily two hours the program has expanded into 40 hours per day. The energy of the station has had a corresponding development. Originally the transmissions went on the air with a power of 7 kilowatts. On the occasion of the Olympic Games of 1936, which the German Broadcasting System made audible throughout the world, the power was increased to 40 kilowatts. This has proved sufficient to safeguard satisfactory reception in all parts of the world, no matter how distant from the broadcasting centre."

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POSTAL SIGNS FIRST COMMUNICATIONS CONTRACT

The Postal Telegraph and Cable Corporation, which handles about 22 percent of the telegraph communications business in this country, accounced Thursday that wage increases of $600,000 annually had been granted to 15,000 employees, effective April 1st.

The increases ranging from $1.25 to $4 a month, are the result of an agreement signed Dec. 18 with the American Radio Telegraphists Association, C.I.O. affiliate. Union officials said the agreement had been signed after fifteen strikes in different cities, and that it was the first major victory of unionism in the communications field.

R. A. Gantt, operating vice-president of the company, said the increase would apply to employees earning $160 a month or less.

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CBS TO OPEN HOLLYWOOD RADIO CENTER APRIL 30

Formal opening on April 30th of its new Hollywood KNX building and studios with a special two-hour dedicatory program and other ceremonies was announced this week by the Columbia Broadcasting System.

Staged in the studio-auditorium of the new CBS radio center in Columbia Square, before an invited audience of 1,000, the program will be broadcast over the coast-to-coast Columbia network at a time tentatively scheduled at 11:30 P.M. to 1:30 A.M. Throughout the morning and afternoon periods preceding the nation-wide broadcast celebration, dedicatory programs will be heard over Columbia's West Coast network.

Though the building appears as an architectural whole, it actually comprises a number of structurally independent units with a driveway separating the two principal groups. On one side is the business building, which will house a variety of shops, Columbia Management of California, Inc., and general offices not directly connected with CBS. Across the driveway is the studio-office group, comprising a five-story office building, a two-story studio building, and a large radio auditorium.

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No. 1112

March 29, 1938.

ICKES SUGGESTS HE OPERATE PAN AMERICAN STATION

Secretary Ickes, who gave commercial broadcasters a fright when he equipped the new Interior Building with an elaborate broadcasting studio, has suggested to the House Naval Affairs Committee that he be placed in charge of the proposed government-owned Pan American station, it was learned this week.

Reporting along with the Navy and War Departments on the Celler Bill, upon which hearings may soon be held, Mr. Ickes said he believed the Interior Department is better equipped than the Navy to operate the station.

Mr. Ickes added that he had no objection to letting the Navy remain in charge of the transmitting equipment, which would be separate from the studio, as the Interior Department is not equipped with radio engineers.

The Navy and War Departments were somewhat non-committal about the advisability of building the station, but they advised the House Committee they had no objections and that the station might have a war-time value. No mention was made of the objective of the station to offset European propaganda transmitted to Latin American countries in peace time.

"At the present time", the Interior report stated, "people of Latin America are privileged to tune in American short-wave stations owned by American broadcasting organizations.

"During the evening hours, the best time for listening in Latin America as well as in the United States, these short-wave stations carry commercially sponsored programs almost exclusively. Were a powerful government station established to broadcast programs of a cultural and educational nature, it would appear that a service would be rendered in the development of good relations with our neighbor nations that is not now duplicated by the usual run of commercial programs on the short-wave broadcasts."

The Navy Department pointed out that the estimated cost of building the station would be nearer $1,200,000 than the $700,000 authorized in the Celler Bill and that the annual maintenance cost would be $160,000 instead of $100,000.

Admiral William D. Leahy, Acting Secretary of the Navy, suggested that the modern broadcasting studio in the new Interior Building be used in connection with the station but that the Navy retain engineering control.

"While there is no express provision in the bill to the effect that this station will be available to the Navy for military use in time of war or national emergency", Admiral Leahy added, "the Navy Department considers this to be the intention of the bill."

Louis Johnson, Acting Secretary of War, expressed the belief that the Pan American station "would have no peace-time military value to the War Department although it might have some military value during war or national emergency."

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METAL RADIO TUBES BEING USED IN GERMAN AUTOS

At the annual German automobile show recently held in Berlin, several of the new automobile radio sets which were exhibited were equipped with steel tubes in place of the conventional glass tubes, according to a report by the American Consulate General at Berlin made public by the Department of Commerce.

This was the first time that metal radio tubes have appeared on the German market as standard equipment for receiving sets, according to the report.

The American Consulate General stated that the German radio industry disposed of 1,570,000 receiving sets on the domestic market during 1937, as compared with 1,300,000 sets sold in the preceding year. Exports totaled 116,600 sets and were only slightly smaller than in 1936.

Stocks of radio receiving sets on hand in the industry at the end of 1937 totaled 108,000, or about 42,000 receivers less than at the end of the previous year.

In addition to the 2.00 reichsmarks fee collected each month by the German Government from each owner of a household radio receiving set, an additional fee of 0.50 reichsmarks per month is now being collected from such owners for radio sets installed in the automotive vehicles.

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86% OF STATION TIME RECORDINGS, FCC TOLD

While the Federal Communications Commission plans to study duplication of radio programs on network stations, it received a new complaint this week regarding an independent and small-powered station which Congressmen contend is the backbone of the broadcasting industry.

Examiner John P. Bramhall, in recommendial denial of the application of KTSM, El Paso, Texas, for a transfer from 1310 to 1350 kc. and an increase in power from 100-250 watts to 500 watts, complained that 86 percent of the station's time is now devoted to recordings or transcriptions.

"Applicant contemplates the continuance of its pre-present policy with respect to programs and submitted a sample of its programs broadcast for the week ending March 28, 1937, the report stated. "The week's program consumed 106 hours and 5 minutes of broadcast time and contained 337 spot announcements and 310 transcriptions and recordings. Applicant has classified as local talent farm flashes, news, religious and studio talks, lost and found announcements and reports of sport activities. Using this classification the station during the 106 hours and 5 minutes of broadcasting time devoted 14 hours and 23 minutes or approximately 13.5% to its so-called local talent programs; 4 hours and 39 minutes or approximately 4.37% of which was sustaining and 9 hours and 44 minutes, or approximately 9.16% sponsored.

"A further examination of the local talent phase of the program discloses only 46 minutes or less than 1% of the total broadcast time of 106 hours and 5 minutes was devoted to musical entertainment by local talent. But few of the items in this program which applicant has classified as local talent should be dignified with the name local talent. Talent has been defined as unusual mental ability or a special gift. Transcriptions and recordings consumed approximately 86% of the total time of the station. Just what is the saturation point in the use of recordings and transcriptions in broadcast programs there seems to be no fixed standard; if however, 100% should be the standard, then applicant has all but reached that goal.

"A station which devotes the major portion of its time to broadcasting phonograph records or electric transcriptions is not rendering to the public a service which it cannot readily obtain without such a station. This is particularly true where the station is located in a city such as El Paso where there is ample program material.

"There was also used by the station on a few occasions one minute for spot announcements. This will account for the entire broadcasting time of the station for the period given."

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STATIONS ASKED FOR DATA ON EARNINGS, INVESTMENTS

Apparently seeking information to be used in recommending an appropriate tax or license charge on broadcasting stations, the Federal Communications disclosed this week that it had ordered all such stations to report their earnings and investments for 1937.

While no mention of the tax study was made in the FCC announcement, it is known that Chairman Frank R. McNinch has been instructed by President Roosevelt to investigate the possibilities of raising special revenue from broadcasting stations because of Congressional agitation.

The President is said to favor a gross receipts tax rather than the wattage levy proposed in the Boylan Bill. Whether a report will be made by the FCC before Congress adjourns is not known.

A form for supplying the information requested is being sent to all licensees affected by the order. Returns must be made on or before April 25th.

Announcement of the order was accompanied by a press release issued by Commdr. T.A.M. Craven. The Commissioner said that the FCC order "was pursuant to the recommendation contained in the report on the social and economic aspects of broadcasting prepared by the Engineering Department of the Commission on July 1, 1937."

Commissioner Craven, who prepared this engineering report, said that the "objective of the order is to secure vital information urgently needed by the Commission in establishing policies with respect to the regulation of the broadcasting industry."

Commissioner Craven stated that his purpose in urging the Commission to secure information with respect to the financial situation of broadcasting had no relation whatsoever to any consideration of the advisability of prescribing a uniform system of accounts for broadcast stations.

In addition to the requirement for each station to file information with the Commission, the Chief Accountant was directed to secure from chain companies more comprehensive information as to their financial situation.

"This was done in order that the Commission might have accurate data and a more complete understanding of the complex financial structure involved in the operation of broadcasting as a system in this country", Commissioner Craven said.

Commissioner Craven stated that information of this character will be of substantial assistance and benefit to all concerned in the progressive development of broadcasting, particularly in the social and economic phases of the application of this relatively new invention to the service of the public.

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SEATTLE LAWYER BUYING HEARST'S WINS

Close on the heels of a formal denial by Joseph V. Connolly, Chairman of the Board of Hearst Radio, Inc., that any Hearst radio stations other than KEHE were to be sold, Col. Arthur O'Brien, Seattle attorney, late last week stated he will purchase WINS, of New York, for about $250,000 as soon as the deal is approved by the Federal Communications Commission.

Connolly later confirmed the report and said that "negotiations are nearing completion".

He made no mention of earlier reports that six of Hearst's ten radio stations are on the market or in the process of being sold.

Mr. O'Brien plans to spend $250,000 in building up programs for WINS. He said 60% of the broadcast time would be non-commercial.

Mr. O'Brien, who specializes in Federal law, moved to Seattle two years ago from Washington, D. C., where he served as Democratic Committeeman. He owns an interest in KIRO, CBS station in Seattle, and will leave A. Cormier in charge of the station when he moves to New York.

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David Hofman, who, as producer and announcer was associated with Station CFCF, Montreal, for several years, has been appointed announcer in the BBC's television service from Alexandra Palace. Mr. Hofman, who is thirty years of age, has had ten years' experience of stage and film work, including eight years in Canada and the United States. During the depression in the American entertainment worle, he worked as a lumberjack at various Canadian camps. He returned to England two years ago.

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ULTRA-HIGH WAVE BAND HEARING POSTPONED

The Federal Communications Commission this week announced the postponement of a scheduled hearing on frequency allocations to services in the bands from 30,000 to and including 300,000 kc. until June 6. The hearing had been set for April 11.

Frequency allocations in the ultra-high bands were made last Fall subject to a public hearing attended by the licensees involved. The order does not become effective until next October.

All of the frequencies listed in the range 30,000-300,000 kc., except amateurs between 56,000 and 60,000 kc., are assigned to specific services. All except the amateur and point-to-point communication in Hawaii are experimental.

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NEW STATION IN NORTH CAROLINA RECOMMENDED

Examiner Tyler Berry this week recommended to the Federal Communications Commission that it grant a construction permit to the Piedmont Broadcasting Corporation for erection of a broadcasting station at Salisbury, N. C., for operation on 1500 kc. with 100-250 watts power, unlimited time.

The same Examiner filed a favorable report on the application of KSRO, operated by the Press Democrat Publishing Co. at Santa Rose, Calif., for modification of its license. KSRO requests unlimited time on 1310 kc. with 100 watts nighttime and 250 watts daytime in lieu of daytime operation on 250 watts.

An unfavorable report was made by Examiner Robert L. Irwin on the application of WDNC, Durham, N. C., for a permit to transfer from 1500 to 600 kc. and increase its power from 100 watts to 1 KW.

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TRADE NOTES

J. R. Poppele, Chief Engineer of WOR, will embark April 6 on a seven-weeks tour of Europe to conduct an exhaustive survey of radio broadcasting and its allied industries in the Old World. Mrs. Poppele will accompany him. Nine countries are on the itinerary, including England, Germany, France, Holland, Belgium, Switzerland, Italy, Norway, Sweden and Russia.

During 1937 the number of licensed radio receiving sets in Australia passed the 1,000,000 mark for the first time, the number of licensed listeners at December 31, 1937, standing at 1,008,595, compared with 887,015 at the end of 1936 and 258,179 at the end of 1927.

What is believed to be the longest commercial contract ever signed in radio is the 99-year agreement signed by the makers of Golden Blossom Honey who participate in the announcements on the Alfred McCann Food Hour over WOR. The sponsor is so confident in the selling ability of this program that to insure its continuance the long term contract was drawn up.

The American Consulate General, Habana, reports that there is no demand in Cuba for crystal radio receiving sets, and while the market for all-wave modern radio receivers is stated to be good, requirements are supplied by many well-known American manufacturers of such equipment, as well as others, who have established branches or representatives in this country.

The New Zealand Government has announced, effective March 1, 1938, increases in import duties on 6 tariff items, ranging from 5 to 20 percent ad valorem, and including radio receiving sets among other items, according to a cablegram from the American Consulate General, Wellington, March 1.

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"LIP MIKE" DEVELOPED BY BRITISH

As a result of the production by the British Broadcasting Company's research engineers of a new type of microphone, a new technique in presenting commentaries on sporting events is likely to be adopted by the corporation.

The instrument is known as a "lip" microphone. It is mounted on a short handle, and is a modification in miniature of the standard ribbon-type microphone used in the studios of the BBC. It is insensitive to sound coming from more than a few inches away, and thus meets the need for an instrument that would enable the commentator to disregard extraneous sound when choosing his position - in other words, for a microphone that, while responding to the commentator's voice, would exclude background noises. To ensure that the commentator's mouth is always the requisite two inches from the microphone, the instrument is fitted with a guard which must be kept pressed against the speaker's upper lip. The quality of the output of the new device is equal in every way to that of the ordinary studio microphone.

Used first during the descriptive commentary broadcast from Guildhall, London, on the occasion of the Lord Mayor's banquet last November, the lip-microphone has made practicable a new method of describing outside events for listeners to BBC programs.

The method provides a solution to an old problem in broadcast description: the fusion of the descriptive skill of the experienced commentator and the unique knowledge of the expert. Two observers will be stationed at one point; one will give the commentary heard by listeners, and the other - at the elbow of commentator No. 1, but unheard by listeners - will "feed" him with extra details and facts about the event for incorporation in the broadcast description. Thus, in the words of the originators of the scheme, there will be "one voice, but foureyes", satisfying in a way that has not been possible before the demands of both the general and the specialist public.

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EMPLOYMENT ANGLE OF PRESS-RADIO RIVALRY CITED

The following discussion of comparative employment in the broadcasting and newspaper publishing industries appeared in the current issue of Editor & Publisher:

"An aspect of the press-radio skirmishing that has seldom seen print was discussed last Sunday in the Washington Herald-Times editorial page. With the political aspects upon which the editorial pinned its points, this column is not immediately concerned, but some of the statements that followed may interest our readers on both sides of the fence. For instance:

"'The average broadcasting station employs a mere handful of engineers, performers, announcers, office workers, and salesmen. In 1935, the Department of Commerce found only 14,561 people employed by all chain and local broadcasting in the United States.'

"'There are 2,200 people at work on the Washington Herald and Times alone. Add to these the number hired by the other papers here, the correspondents for out-of-town newspapers and their secretarial help, and one realizes that newspapers give at least half as many jobs in Washington alone as does radio for the whole country.

"'A newspaper is not simply the result of effort by a small number of editors, reporters, and photographers. It is the product of team-work by high-salaried and skilled workers many readers never heard of - stereotypers, engravers, linotypers, monotype operators, pressmen, make-up men. Add to these the executive staff, advertising salesmen, galley boys, apprentices, printers, newspaper carriers, delivery boys, telegraphers, clerks, accountants, typists, painters, carpenters, janitors, elevator operators, truck-drivers. The weekly Social Security taxes alone on such an organization are greater than the whole payroll of the average radio station.'

"There are no reliable and complete statistics on the number of people who contribute to the manufacture of the country's daily press - but if the number averaged only 50 each for the 2,000 dailies published, the total would be 100,000. The fact is that there are that many carrier boys. There are more than half that many members of the Typographical Union employed on newspapers. There are probably 30,000 or more editorial people, not counting string correspondents. A good guess would be that newspapers employ more nearly half a million than 100,000 directly and on part-time jobs. What their annual pay is runs still further into the realm of speculation. One of the great chains alone had a total payroll in 1936 of $64,000,000. The bulk of newspaper expense is for payment of personnel - two-thirds of total expense would be a modest estimate. At that rate newspapers paid out last year close to half a billion dollars, for payroll alone."

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PALEY TO PUT CBS REPORT ON THE AIR

William S. Paley announced this week that he will address his annual report as President of the Columbia Broadcasting System to the listening public as well as to the company's own stockholders. Besides sending the report to stockholders in the usual way, Mr. Paley will deliver it over the air on Tuesday, April 5, at 10 P.M.,EST, when it will be heard over WABC and the Columbia network.

Mr. Paley said he had decided to put his report on the air because of the widespread general interest in broadcasting and added that he hoped to stimulate public thinking about broadcasting by discussing industry problems with the audience just as frankly as he does with the company's own stockholders.

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MASON HEADS NBC SHORT WAVE UNIT

Short-wave radio has assumed such importance both technically and as the voice of American culture and ideals beyond our borders, that Lenox R. Lohr, President of the National Broadcasting Company, has assigned his assistant, Vice-President Frank E. Mason, to superintend all of NBC's activities in this field. Mr. Mason will have complete direction of NBC's increasingly numerous broadcasts of news, entertainment and other programs transmitted to Europe and South America, and the short-wave operations of the company.

Mr. Lohr said:

"While the licenses under which short-wave stations operate are experimental and carry no public obligation per se, the National Broadcasting Company feels that it, along with other private broadcasters, must see to it that the United States does not lag behind other nations in international short-wave broadcasting.

"In this period of world stress and widely conflicting political ideologies, it is especially important that NBC be alert to the needs of the United States for communicating its policies and actions to all parts of the world.

"Short-wave radio has become increasingly important, as improvements effected over the period of the past twelve months at Station W3XAL increased the range, and consequently the audience, which could be reached by American broadcasts.

"With his background of experience as former President of International News Service, and as Vice-President in charge of NBC's Station Relations for a number of years, Mr. Mason is exceptionally well qualified to guide our short-wave plans and their development. He has held newspaper positions of importance in various European capitals over a number of years, and, speaking several languages, he is an apt interpreter of the American viewpoint to foreign listeners. Since the principal feature of short-wave broadcasting is news, his experience as a journalist will enable him to give these highly important activities such direction as few others could bring to radio's newest sphere."

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HEINL RADIO BUSINESS LETTER

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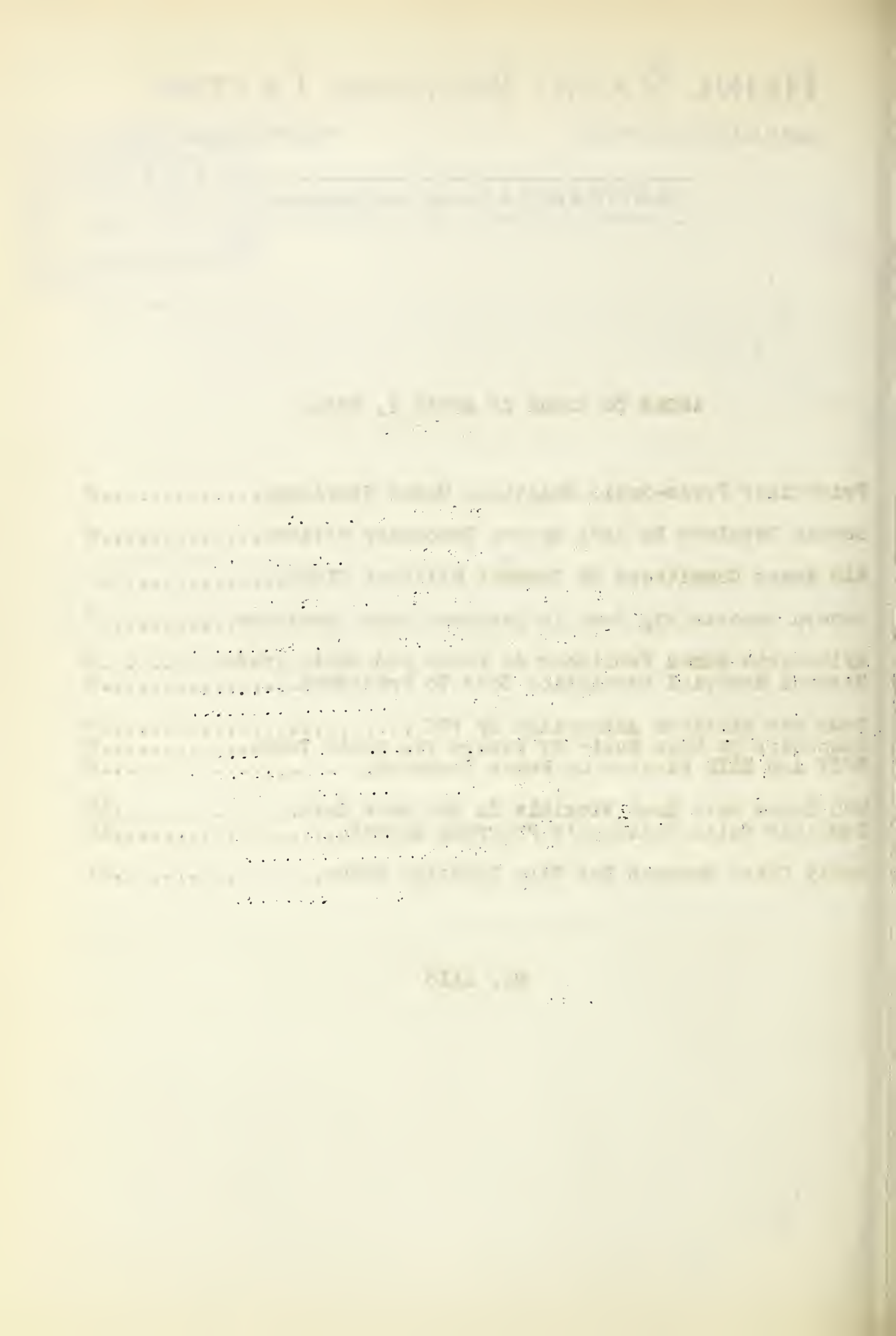
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FRIENDLIER PRESS-RADIO RELATIONS UNDER ETHRIDGE

Broadcasters and newspaper publishers are expected to work more in harmony, at least for the time being, under the direction of the new "czar" of the broadcasting industry, Mark Ethridge, who was elected temporary President this week by the Directors of the National Association of Broadcasters.

A brilliant newspaper man, whose rise in the fourth estate has been meteoric in the last few years, will direct the broadcasting industry while remaining as General Manager of the Louisville Courier Journal and Times. He will serve the NAb without salary.

So long as Mr. Ethridge is at the helm, there will be an effective intermediary between the newspaper publishers and the broadcasters which will do much to relieve the growing tension between press and radio.

Mr. Ethridge's election came somewhat as a surprise because of his insistence since his election as Acting Chairman of the Executive Committee that he would not take the post. While no official explanation was given, it was rumored, but officially denied, that the NAB Directors were faced with financial troubles as well as the difficulty of hiring a big-game executive that they felt would do for the broadcasting industry what Will Hays has done for the movies.

Broadcasters and associates of Mr. Ethridge on the Executive Committee had urged him to take the post ever since he demonstrated his ability as a leader at the recent NAB convention in Washington.

In accepting, Mr. Ethridge said that he would serve with the understanding that the position would be non-salaried; that the Board would continue its active search for a permanent head of the industry, and that he would give the time necessary from his duties as General Manager of the Louisville Courier Journal and Times to perfect the trade association plans adopted by the NAB convention in February.

The new President of the NAB is a native Mississippian who has been in newspaper work for more than 25 years. He served ten years as editor of The Macon Telegraph, was with the New York Sun two years, was with the Associated Press, Consolidated Press and the Washington Post, and before going to his present post in Louisville was publisher of the Richmond, (Va.) Times Dispatch.

Mr. Ethridge's entrance into radio was fortuitous. The company of which he is Vice-President and General Manager is the owner of Station WHAS at Louisville. When the demand was made upon network affiliates by the American Federation of Musicians for the employment of additional musicians, Barry Bingham, President of the Louisville Times Company, which owns WHAS, was in Europe and it fell upon Mr. Ethridge to represent the station. The organization which later came to be the Independent Radio Network Affiliates made him Chairman.

He served as advisory member of the Reorganization Committee of NAB headed by Edwin Craig of Nashville, and then was made temporary Chairman of the Board of NAB to serve until a President was elected. His election as President makes him Chairman of the Board until his successor is elected.

"My interest in radio", Mr. Ethridge said, "arose from the feeling that an industry with such a great investment should have a strong trade association to handle both its external and internal problems. The more deeply I have become involved in it, the more strongly I realize that its problems are more fundamental than those that a mere trade association can handle.

"Radio is a business that is in actuality licensed by the people. Without that licensing, because of the restricted number of radio channels, there would be utter confusion. Because of that, and because, moreover, it has direct entry into the homes of America, it is certainly affected with the public interest. It has, of course, a commercial basis in this country as opposed to governmentally owned and controlled broadcasting systems of some European countries.

"The broadcasters of America believe that there is no essential conflict between privately-owned and operated radio and the public interest with which it is charged with serving. They recognize that there can be an intelligent reconciliation between the commercial aspects of their business and the public interest.

"Radio as a commercial enterprise is about 15 years old, but it is still a growing, changing business. Nobody is in position off-hand to say what its future will be or should be. In setting up their new organization the broadcasters have been merely trying to create the instrument through which they may help to carve the destiny of an industry in which they, while recognizing the public interest, still have sizeable financial investments. They believe that with whatever faults it may have, the American System is still superior to any other system of broadcasting in the world and that a great part of that superiority lies in the encouragement of individual initiative within proper limitations. They believe, moreover, that it can best serve a democratic people as a medium of information, entertainment, and education if it is kept free for creative endeavor and for full and fair and frank discussion of public questions.

"There is, in the long run no conflict whatever between the public interest and the concepts of good and decent business."

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LOUCKS RETAINED BY NAB; SPENCE TEMPORARY OFFICER

Philip G. Loucks, young Washington attorney, will continue to act as special counsel and administrative officer of the National Association of Broadcasters, pending the appointment of a permanent paid president.

The NAB Directors, recognizing his work in drafting and effecting the NAB reorganization, persuaded him to continue in the post this week. Mr. Loucks is a former newspaperman although more recently he was Managing Director of the NAB, and was largely responsible for building it up to its present membership.

The Directors named Edwin M. Spence, former Baltimore broadcaster and Chairman of the recent Convention Committee, temporary Secretary-Treasurer until permanent officers are set up.

Chairman Frank R. McNinch, of the Federal Communications Commission, was the guest of the NAB Board at a luncheon Wednesday. Cooperation between broadcasters and the regulatory body in the solution of the problems which confront both the industry and the Government was invited by Chairman McNinch in an informal talk.

The Board, acting upon the report of Lloyd Thomas of Rockford, Ill., Chairman of the Committee of Independent Stations, voted to recognize the demand made upon independent stations by the American Federation of Musicians as an industry problem and to underwrite the expenses of the Committee and counsel fees for those stations which desired to undertake consultations and negotiations with the National Board of the Musicians Union.

The Board adopted a resolution reaffirming the action of the broadcasters' convention in urging the Department of Justice not to drop the anti-trust suit against the American Society of Composers, Authors and Publishers.

The Executive Committee was instructed to begin at once exploratory consideration of the whole question of music copyrights with particular reference to the expiration of the industry's contracts with ASCAP in 1940.

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"Social Significance of Radio" is a subject of a talk to be given by Lenox R. Lohr, President of the National Broadcasting Company over Station WMCA, New York, April 7th at 1:15 PM. The talk will originate at a luncheon-meeting of the Advertising Club on Park Avenue.

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NAB NAMES COMMITTEES TO CONDUCT MILITANT FIGHT

Preparing to wage a militant fight against foes of the broadcasting industry, the reorganized National Association of Broadcasters this week set up several committees with authorization to deal with immediate problems, and to make recommendations on future policies within thirty days.

Among these problems are moves in both administration and legislative circles to impose special taxes on the broadcasting industry and to establish a government-owned international radio station. There have been even suggestions of national government-owned stations.

The NAB has gone on record as being opposed to any special tax on broadcasters and to any entrance of the government into broadcasting.

The committees named by the NAB Directors at their meeting in Washington are as follows:

A Legislative Committee, composed of John Kennedy, Clarksburg, W. Va.; Edwin W. Craig, Nashville, Tenn.; Luther Hill, Des Moines, Iowa; William Dolph, Washington, D. C.; E. B. Craney, Butte, Montana; Frank M. Russell, Washington, D. C.; Harry Butcher, Washington, D. C.; Theodore C. Streibert, New York, N. Y.; and John Elmer, Baltimore, Maryland. It was instructed to make a study of pending legislation as it affects the industry and propose policies for consideration of the Board.

An Engineering Committee of John V. L. Hogan, New York, N. Y.; John Fetzer, Kalamazoo, Michigan; Jack DeWitt, Nashville, Tenn.; John Schilling, Kansas City, Missouri; Jack Poppele, New York, N. Y.; Paul Loyet, Des Moines, Iowa; Bill Edgerton, San Antonio, Texas; O. B. Hanson, New York, N. Y.; E. K. Cohan, New York, N. Y.; Carl Meyers, Chicago, Ill.; Albert E. Heiser, Lynchburg, Va.; William H. West, East St. Louis, Ill.; Porter Houston, Baltimore, Md.; Paul de Mars, Boston, Mass.; and Herbert Hollister, Wichita, Kans, was instructed to survey the engineering phases of all types of stations and propose a permanent set-up for meeting the informational needs of the industry as a whole.

The Accounting Committee, headed by H. C. Wilder, Syracuse, N. Y.; is composed of E. M. Stoers, New York, N. Y.; Frank White, New York, N. Y.; Mark Woods, New York, N.Y.; Ted Hill, Worcester, Mass.; L. A. Benson, St. Louis, Mo.; and Harold Wheelahan, New Orleans, La. This Committee was instructed, in behalf of the industry, to make a study of accounting proposals and report to the Board.

The Association's representatives on the Joint Committee on Radio Research, composed of committees of the American

Association of Advertising Agencies and the Association of National Advertisers, will be Arthur B. Church, Kansas City, Mo.; H. K. Boice and Roy C. Witmer, both of New York, N. Y.; J. O. Maland, of Des Moines, Iowa, and Mr. Loucks. The Joint Committee during the past three years has been studying standardization of station coverage methods.

The Board appointed Philip G. Loucks, of Washington, John F. Royal, of New York, N. Y., and Fred Willis, of New York, N.Y., to be its representatives on the Federal Radio Education Committee, created by the Federal Communications Commission to study the problem of educational broadcasting.

A committee consisting of John Elmer, Baltimore, Md.; John Gillin, Omaha, Nebraska; and Harold Hough, of Fort Worth, Texas, was appointed to consider the report of the Nab Bureau of Copyrights and report to the Board within thirty days.

A committee consisting of John Gillin, Omaha, Nebraska; Gene O'Fallon, Denver, Colo.; and Earl Gammons, Minneapolis, Minn., was appointed to study the question of Associate memberships thirty days hence and report to the Board.

The National Broadcasting Company and the Columbia Broadcasting System were elected to Associate memberships.

In addition to President Ethridge, the members of the Board of Directors are: Earl Gammons, Minneapolis, Minn.; Frank M. Russell, Washington, D. C.; Herbert Hollister, Wichita, Kans.; John Elmer, Baltimore, Md.; Harry C. Wilder, Syracuse, N.Y.; E. A. Allen, Lynchburg, Va.; Elliott Roosevelt, Fort Worth, Texas; John Kennedy, Clarksburg, W. Va.; Donald Thornburgh, Los Angeles, Cal.; Walter J. Damm, Milwaukee, Wis.; John Shepard, 3rd, Boston, Mass.; Lambdin Kay, Atlanta, Ga.; W. Walter Tison, Tampa, Fla.; Edwin W. Craig, Nashville, Tenn.; C. W. Myers, Portland, Ore.; Ralph R. Brunton, San Francisco, Cal.; Harold Hough, Fort Worth, Texas; O. L. Taylor, Amarillo, Texas; Eugene P. O'Fallon, Denver, Colo.; Clair R. McCollough, Wilmington, Dela.; John J. Gillin, Jr., Omaha, Nebr.; John Fetzer, Kalamazoo, Mich.

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The Minister of Posts and Telegraphs has decided to provide the national radio services with a large modern building, so as to centralize the various departments now scattered over Paris. The P.T.T. is in the Rue de Grenelle, Radio-Colonial in the Boulevard Haussmann, Radio-Paris in the Rue Francois Ier, and the Eiffel Tower is still further afield. Four architects have been commissioned to draw up the plans, but as they are expected to visit the principal foreign radio centers before making definite decisions, this matter will probably not be heard of again before next year.

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GENEVA REPORTS BIG JUMP IN EUROPEAN RADIO AUDIENCE

Probably because of the growing use of the radio by dictators, Europe's radio audience is increasing at a rapid rate, some fifteen million listeners being added in 1937, according to a report just released by the International Broadcasting Office at Geneva.

At the close of the year, according to Arthur Burrows, Director of the Geneva office, there were 31,444,462 registered radio receivers in Europe as against 27,714,435 on December 31, 1936. Assuming that each of these receivers went into a new home where there were four potential listeners, the International Broadcasting Office concluded that the international radio audience has grown by nearly 15,000,000.

While there is some difference of opinion among authorities as to the actual number of radio receivers in the United States, all agree that there are probably more sets in use in this country than in all of Europe though perhaps not so many radio-equipped homes.

The Joint Committee on Radio Research has very recently estimated that there were 26,700,000 radio homes in the United States on January 1, 1938.

Radio Today estimates 25,800,000 homes but 36,800,000 sets, acounting 5,000,000 auto receivers.

Of the European countries, Germany has the greatest number of radio-equipped homes, according to the Geneva report. The International Broadcasting Office gives Germany 9,087,454 but does not include Austria, which it credits with 619,622. So that Germany's present count would be nearer nine and three-quarters millions.

Great Britain is second with 8,479,500, and France third with 4,163,692. No figures are given in the preliminary report on Soviet Russia.

Four countries joined the group of European states having more than a million radio homes. They were Sweden, Holland, Czechoslovakia, and Belgium.

The highest percentage of licensed receivers in proportion to population is still held by Denmark. That is 18.99 percent. This contrasts sharply with the percentage in the United States, which is estimated at between 77 and 88 percent.

The average increase in radio owners throughout Europe in 1937 was 13.5 percent, but in the case of Turkey the increase rose to 143.56 percent and Bulgaria to 70 percent apparently because of the expansion of local broadcasting services.

While the International Broadcasting Office has not received all official reports on the growth of radio set ownership over the world, it made a preliminary estimate of approximately 69,700,000 receiving sets in use as of January 1, 1938.

This is equivalent to an increase in 1937, the report stated, of about twenty-five million listeners, counting four to a receiver.

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AYLESWORTH NAMED PUBLISHER AS PRESS AND RADIO TRADE

Coincidental with the election this week of a newspaper General Manager to the President of the National Association of Broadcasters, a former radio network head was named publisher of the World Telegram of New York City.

Merlin H. Aylesworth, organizer and first President of the National Broadcasting Company became a publisher; while Mark Ethridge, manager of the Louisville Courier-Journal and Times, became "czar", temporarily at least, of the broadcasting industry.

Mr. Aylesworth, who has been a member of the Scripps-Howard executive staff for the last thirteen months, left the NBC in 1936.

Upon his appointment this week, he declared he has always been of the opinion that newspapers and radio stations are complementary and neither could take the place of the other.

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MARCONI MEMORIAL RESOLUTION GOES TO PRESIDENT

With the passage this week of a resolution to authorize the erection in Washington of a memorial to Guglielmo Marconi, "father of radio", the measure now goes to the White House for the President's signature.

The legislation merely authorizes the Marconi Memorial Foundation, Inc., to erect a memorial on public space in the National Capital. The statue is to be paid for by donations from the American people.

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FOUR NEW STATIONS AUTHORIZED BY FCC

Four new low-power radio stations were authorized this week by the Federal Communications Commission after a brief period of tightening up.

The applicants and the assigned frequencies are:

Kenstone Broadcasting Co., New Castle, Pa., 1250 kc., 250 watts, daytime. New Castle has no station now, but is only 42 miles from Pittsburgh.

Gila Broadcasting Co., Sanford, Ariz., 1420 kc., 100-250 watts, unlimited time.

Roberts-MacNab Co.,Bozeman, Mont., 1420 kc., 100-250 watts,unlimited time. At the same time the FCC denied an application of the Gallatin Radio Forum, of Bozeman, for the same facilities.

Sims Broadcasting Co., Globe, Raiz., 1210 kc., 100-250 watts, unlimited time. One of the partners of the company, W. J. Sims, is a paster of a church in Globe.

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COMPOSERS TO HEAR MUSIC OF FUTURE VIA RADIO TUBES

Radio-tube musical development and amplified musical instruments will have a unique demonstration at the Town Hall Club, New York, May 5th, under the auspices of the League of Composers.

This organization is backed by such musical leaders as Leopold Stokowski, Mrs. Otto H. Kahn, Paul D. Cravath, Arthur Rodzinski, Mrs. Arthur M. Reis, Marion Bauer, Aaron Copland, Rudolph Ganz, Albert Stoessel and others.

Dr. Orestes H. Caldwell, editor of Radio Today, will preside as chairman of the evening's program and interpret the demonstrations which are designed to show musicians and composers the new possibilities of the new electronic pianos and organs, amplified musical instruments, and radio-tube music sources.

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WJSV AND KSTP BLOCKED ON POWER INCREASE

An unfavorable report was filed with the Federal Communications Commission this week on the applications of WJSV, CBS outlet in Washington, and KSTP, of St. Paul, Minn., for permits to increase their power from 10 KW to 50 KW. Both operate unlimited time on 1460 kc.

Examiner P. W. Seward said that while the increase would cause little or no interference that the applicants failed to show substantial proof of a need for the additional service in the areas concerned.

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NBC MAKES NETS MORE FLEXIBLE IN NEW RATE CARD

With the issuance of a new network rate card (No. 24), effective April 15, the National Broadcasting Company this week announced a new and more flexible policy for sponsors who wish to use parts of both the major NBC chains - the Red and the Blue.

"It is now possible", explained Roy C. Witmer, Vice-President, "to build from NBC facilities, whether Red Network or Blue Network, the strongest possible set-up to fit an advertiser's requirements."

All NBC facilities are listed on one card, a change from the previous system whereby separate cards were issued for the Blue and Red networks and the various supplementary groups identified with them. No supplementary groups are designated Red or Blue on this card, as all groups are available, if not in use already, to advertisers using either the Blue or Red basic networks.

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EDUCATOR CALLS CHILDREN'S PROGRAMS MORONIC

Picturing the radio as a Frankenstein monster that has entered the home and usurped the leisure time of the school children, Dr. Jay B. Nash, Chairman of the Physical Education Department of New York University, urged parents this week to throw off the "strangling" influence of Tarzan, Buck Rogers and other "moronic" children's programs.

In an address before the Jewish Vacation Association at the Hotel Commodore, the New York Times reported, Professor Nash declared that Americans spent 150,000,000 hours before the radio every day. Of especial concern to educators and parents is the effect on the children, the speaker asserted. The quiet "children's hour" of Longfellow's day has been displaced by the "radio hour".

"It's the moronishness, the stupidness, the inactivity of it, rather than the badness, that gives us the greatest concern", Professor Nash told the 200 persons, representing seventy-five organizations, who were attending the one-day conference.

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NEELY CITES REASONS FOR WIRE INDUSTRY PROBE

Speaking in support of his resolution to authorize an investigation of the wire communications industry, Senator Neely (Democrat), of West Virginia, on Wednesday read the following statement on the Senate floor:

"There is an apparent tendency toward monopoly in the industry. Telegraphic traffic for decades has been divided between two large companies. Competition between them has practically ceased. These companies now simultaneously withdraw their services from various sections of the country and from many interests which they previously served. When the branch office of one company closes, by a strange coincidence the nearby branch office of the rival company also closes down.

"For example, there are Postal and Western Union offices in the lobby of the Willard Hotel in Washington. Until a few days ago both of these offices remained open until midnight. Now both of them close at 6 o'clock in the evening.

"Recently in the city of Philadelphia by the joint action of the superintendents of both companies an attempt was made to force patrons to use one type of service rather than another.

"Information has just been supplied me concerning a joint conference between officials of the Western Union and the Postal companies for the purpose of devising means of carrying out policies in restraint of trade.

"These cessations of competition seem to indicate that the two great telegraph companies are preparing for a merger. These moves toward merger and increased monopoly are accompanied by wide-spread dismissal of employees. This is particularly true of the Western Union.

"It is well known that labor represents more than 60 percent of the total cost of operating the telegraphic industry. The joint actions above mentioned enable the companies to reduce their personnel and their labor costs.

"During the last few months thousands of semi-skilled telegraphers have been added to the list of the unemployed. The drop in employment is especially noticeable in the main offices of the companies which are also the relaying points for messages to and from various points throughout the country.

"The efficiency of the service rendered has been seriously impaired as a result of the reduction of the operating personnel. The speed of the service has been sacrificed for the sake of economy.

"It is reported that office floors in some centers are littered with tape from the telegraphic machines from morning till night, and that wires which convey important messages are without operators for excessive periods of time. The general picture is one of greatly decreased efficiency.

"The public naturally suffers from this inefficiency. Complaints against unsatisfactory service are made without avail. Rates remain as high as ever and an attempt is now being made to increase them. The business of certain governmental bureaus, which are large users of the telegraph, is slowed down by poor

telegraphic service. It is alleged that messages to the Capitol from the Washington main office are often allowed to accumulate and are then transferred by messengers because the force is inadequate to handle the business in the regular way. The telegraphic industry is vital to the Nation in war as well as in peace, and its efficient functioning is therefore very much a matter of public concern.

"Labor in particular is interested in this industry. Technical transformations have resulted in a steady diminution in the number of people employed by the two great companies. Both the skilled and semi-skilled employees, instead of drifting to other industries where their training and experience would mean nothing, remain on the part-time lists of the companies in the hope of being called to service for at least a few hours a week.

"In this industry little of the fruit of progress has been shared by the employees. Despite the importance and the strenuousness of the work of a telegrapher, he is still required to be on duty 48 hours a week. Wages in the industry have been depressed to an unparalleled degree. The facts concerning unemployment conditions in the industry are not a matter of public record.

"Approximately 23,000 children are employed by the two great telegraph companies. These children work 48 hours a week or more for wages which average between $6 and $7 a week. The accident rate among telegraph messengers, as revealed by investigations made by the United States Children's Bureau, averages 17 per 100 a year. Here is a striking example of unregulated child labor in urban centers.

"The telegraph companies represent a comparatively small, but nevertheless complete unit of industry in which changes are still taking place before our eyes and in a setting in which they can be advantageously studied.

"Senate resolution 247 should be adopted and the study should be made without delay."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1114

April 5, 1938.

16 OBJECTIVES LISTED FOR SUPER-POWER HEARING

The Federal Communications Commission this week announced 16 major issues to be determined during the forthcoming super-power hearing, beginning May 16, and requested all interested parties to file notice of intention to testify within 15 days.

The hearing is expected to produce another controversy such as that which rocked the broadcasting industry in October, 1936, and has continued as inter-industry issue ever since. The major question is whether the FCC is to authorize a number of super-power stations, similar to the 500 KW WLW, of Cincinnati.

While there is little objection to horizontal increases in power among the lower and medium power outlets, there is distinct opposition to the establishment of super-power stations. The opposition, however, is not based on technical grounds, as radio has reached the stage where engineers believe the broadcasts would not interfere seriously with lower power transmission. The basis of the objection is a fear that a string of super-power stations would absorb all national advertising and thereby take away the financial support of smaller stations and possibly the networks.

Testimony offered at the 1936 hearing took three general points of view, as summarized by Commdr. T.A.M. Craven, then Chief Engineer:

1. Super-power would benefit the nation from the standpoint of social service and without harm or upheaval in the existing system of broadcasting.

2. Super-power would not be public interest because it would ultimately so change the existing system as to derive the public in individual communities of facilities for self-expression by radio.

3. While the government should face the situation fairly and squarely, it should proceed cautiously in the present situation because of the unknown factors.

Commissioner Craven, in his voluminous report on the social and economic aspects of broadcasting, adopted the latter point of view.

While advising against the "wholesale licensing" of stations to use power in excess of 50 KW, Commissioner Craven said he could see "no logical reason for an arbitrary defensive regulation which would prevent the future use of power in excess of

50 KW in the event that evidence and data should show conclusively that such power in certain individual cases is in the interest of the public."

Chairman Frank R. McNinch, while not making his opinion clear as to super-power, intimated in a recent address to the National Association of Broadcasters that he is against it.

The 16 issues which the Communications Commission said will be determined at the May hearing are as follows:

1. To determine if, in general, objectionable interference will be caused to the service of existing stations by increasing the power limit of stations assigned to the clear channels set out in Commission Rule 116.

2. To determine the nature and extent of the effect of the limitation, if any, of the service area of other classes of stations.

3. To determine whether the enlargement and improvement in the service of clear channel stations resulting from an increase in the maximum limit of power will be greater than any limitation of service that may result to other stations by reason of interference.

4. To determine the extent to which an increase in power on clear channels will enlarge the primary and secondary service areas of clear channel stations and improve the service of such stations.

5. To determine whether there is need for the proposed increased service which will be rendered by the use of the higher power on clear channels, and if so, in what areas such need exists.

6. To determine whether an increase in power on clear channels will tend to or result in an increase in, or concentration of, economic or social power and influence in the clear channel stations, and if so, whether this may have an effect upon other stations, the service rendered by them, or upon the public.

7. To determine whether an increase in power on clear channels will tend or result in a decrease in competition between stations and whether the service to the public will be affected thereby.

8. To determine what charges will be necessary to support the operation of clear channel stations at additional power, whether such charges may be borne by the commercial support available and whether such charges will have an adverse effect upon the character of program service rendered.

9. To determine whether an increase in the maximum limitation of power upon clear channels will tend to, or result in, a duplication of service, either day or night, rural or urban, and if so, the nature and extent of such duplication.

10. To determine whether the stations now operating upon clear channels are so located geographically that an increase in the maximum limitation of power on such channels will bring about, or tend to bring about, a proper distribution of service, particularly to the ruralareas served by such stations.

11. To determine whether the habits of listeners under such conditions will be such that they will listen to the high power service rather than the more localized regional and local class service.

12. To determine whether or not an increase in the maximum power limitation on clear channels would tend toward a fair, efficient and equitable distribution of transmission and reception among the States and communities within the meaning of Section 307(b) of the Communications Act of 1934, as amended.

13. To determine whether or not a maximum limit of power should be fixed in the rule, and if so, what limit should be fixed.

14. To determine whether or not the present minimum and maximum power limits of Rule 117 should be maintained.

15. To determine whether or not public interest, convenience and necessity will be served by modification of Rule 117.

16. To determine what modification, if any, should be made in the public interest, convenience and necessity.

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RADIO NEWS SUPPLIES FOURTH OF NATION

Almost a fourth, 23.5 percent to be exact, of the citizens of the United States get most of their news from radio newscasts, according to results of a survey published in Fortune magazine. Almost double that number, 45.2 percent, get most of their news from newspapers, while 28.2 percent use both sources.

The survey disclosed that listening to the radio is the favorite recreation of the nation and that newscast ranks third among favorite programs. The principal reason for listening to the radio news, it was said, is "to get news more quickly".

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INCREASED PRESS HOLD ON RADIO SEEN IN RULING

Newspaper control of broadcasting stations, already large, is expected to increase as the result of a ruling of the Federal Communications Commission, reversing its former position and establishing a precedent for future decisions. There are now some 200 stations owned by newspapers.

The ruling, which becomes effective April 8, permits the transfer of Station WHBC, Canton, O., from the Rev. E. P. Graham, Catholic priest, to the Canton Repository, owned by the Brush-Moore syndicate, for $21,000. While of little importance in itself, the deal by gaining FCC approval, on unanimous vote, marks a significant change in the Commission's attitude on newspaper control in radio.

The action came on the heels of an opinion by the U. S. Court of Appeals that no existing law bars newspaper ownership of a radio station and that the FCC cannot legally deny an applicant a permit on the ground that he also publishes a newspaper.

Tri-State Broadcasting Company, of El Paso, Texas, operator of Stations KTSM and WDAH in that city, had opposed the application of Dorrance Roderick, President and publisher, El Paso Times, seeking a third station in El Paso. An Examiner's report favoring grant of the Roderick request was affirmed by the Commission but only after Dr. Irvin Stewart, who has since resigned, had delivered a strong dissent charging public convenience and necessity would be frustrated if radio and newspaper publishing were allowed to be concentrated in the same ownership. He asked that the application be denied on that ground.

The FCC ruling in the WHBC case puts the issue of newspaper ownership squarely up to Congress, where rumblings of objections to the "centralization" of news sources have been heard from time to time.

Oddly enough, some of the outspoken critics on this subject have been strangely quiet in recent months. Notably, Senator Wheeler (D.), of Montana, has had nothing to say about the subject since he has won wide newspaper support in his fight against the President's Supreme Court reform plan and reorganization bill. Previously, he had said he would sponsor legislation divorcing newspapers and radio.

Representative Wearin (D.), of Iowa, introduced such a bill in the House more than a year ago, but it has received little or no attention.

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WALKER TELEPHONE REPORT SEEN AS "TRIAL BALLOON"

Submission of a one-man report on the telephone investigation of the Federal Communications Commission to Congress late last week was interpreted in communications industrial circles as a "trial balloon" and a move to quiet critics who have complained of the delay in drafting the document.

Chairman Frank R. McNinch, in submitting the report of Commissioner Paul A. Walker to the Senate and House Committees on Interstate Commerce, emphasized that the findings had not been approved by the FCC.

Commissioner Walker stated that the Bell System could cut rates as much as 25 percent without "interrupting existing earnings". This could be effected, he said, by elimination of high operating costs. To accomplish this, he suggested that the Communications Act be amended to give the Communications Commission authority to pass upon Bell policies.

Walter S. Gifford, President of the American Telephone & Telegraph Company, immediately challenged the findings as "absurd". Denying that present telephone rates are high, he said the United States has "the best and cheapest telephone services in the world".

Failure of the FCC to act on the report, it is believed, will have the effect of delaying any Congressional action until the next session at least.

"The proposed report is not a report by the Commission", said Chairman McNinch, "but is instead a report submitted to the Commission and is now being studied by the members of the Commission with a view to subsequent determination, at the earliest practicable date, as to the form and content of the report which the Commission will later submit to the Congress."

Meanwhile it was estimated that the investigation to date has cost $5,000,000 and has covered two and a half years.

Appropriations by Congress for the special telephone investigation amounted to $1,500,000, this being in addition to the regular annual appropriations of about $1,500,000 for the FCC, a substantial portion of which is utilized for telephone regulation. Total expenditures imposed on the A. T. & T. system in the course of the investigation, according to authoritative company estimates, exceeded $3,000,000.

The Commission was authorized by Congress three and one-half years ago to supervise and regulate the communications business in the United States with its capital investment of more than $6,000,000,000.

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A. P. TO CONSIDER SPONSORSHIP OF ITS NEWS

The Associated Press this month will consider permitting its members to sell wire news for sponsorship, as do its competitors, United Press and the International News Service, it was learned this week.

Frank B. Noyes, President of the A.P., has sent a letter to all members advising them that the April 25 meeting will take up the question of changing the by-laws to grant permission to members "to make remunerative arrangements with advertisers for sponsored news broadcasts, such permission to involve additional Associated Press assessments".

Mr. Noyes' letter continued:

"Members have said that the time has arrived to permit the A.P. to obtain additional revenue from this source in order to postpone or make entirely unnecessary increases in A.P. assessments in order to meet the expenses of the organization which the members will understand have necessarily been increasing. For six years the organization has been operating on reduced receipts from assessments on its members, its only source of revenue, owing to the reduction in assessments ordered by the Board in 1932 and which reduction totaled approximately $1,200,000 annually.

"The Board feels that the Association should place itself in position through whatever steps are necessary to gain the benefits to the whole membership that such action will afford.

"Meanwhile members who broadcast or who are contemplating broadcasting may deem it unwise to make commitments for availability of news for broadcasting in advertising programs prior to the annual meeting."

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PHILCO SPONSORS COURSE FOR ITS SERVICE MEN

The Philco Radio & Television Corporation, of Philadelphia, this week announced that it is sponsoring a special correspondence training course for its 27,000 service men and dealers who belong to the Radio Manufacturers Service.

The National Radio Institute, of Washington, has prepared the course in radio theory and practice, and special rates are being offered to Philco dealers.

Pamphlets and other literature explaining the course were being forwarded to Philco dealers this week.

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HAVANA RADIO TREATY BELIEVED BLOCKED FOR SESSION

While officials maintain a mysterious silence, the Havana radio treaty adopted last Fall at an Inter-American Conference is being held up by the State Department, and indications are that it will not be presented to the Senate for ratification before Congress adjourns.

State Department spokesmen stated that the treaty has not been forwarded to the Capitol because of requests from the Federal Communications Commission. Chairman Frank R. McNinch, it was said, wrote a letter to the State Department several weeks ago, it was learned, asking that action be delayed until the FCC could study the treaty more thoroughly and possibly hold hearings.

As the general reallocations proposed by the FCC Engineering Department for this country are dependent upon approval of the North American treaty, failure of the Senate to act this year will delay the U. S. shake-up.

A move within the Commission to dislodge the report is expected, however, as Commdr. T.A.M. Craven, delegate to Havana and author of the engineering report, believes ratification of the treaty this year to be essential to the proposed development of American broadcasting.

Of the four parties to the treaty, only one, Cuba, has ratified it, but the other two, Canada and Mexico have indicated they will approve it.

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FCC HEARINGS UNLIKELY BEFORE CONGRESS ADJOURNS

While the Federal Communications Commission has begun gathering preliminary data on various phases of station and network operations, indications at present are that actual hearings in pursuance of the McNinch monopoly resolution will not begin before Congress adjourns.

Critics of the FCC are suggesting that the Commission may be delaying the inquiry purposely to forestall Congressional interference and to prevent Congressional critics from making attacks either on the Commission or radio "monopolies" on the House or Senate floors.

The FCC Accounting Department is now engaged in gathering statistical data, chiefly from the networks, while the Legal Department has begun an intense study of network contracts with affiliated stations and the extent of network ownership of outlets.

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MASON ADVISES AGAINST PROPAGANDA

Broadcasting should never be used as a weapon of propaganda in the interchange of programs between the people of the United States and Latin America, Frank E. Mason, Vice-President of the National Broadcasting Company in Charge of Short-Wave Broadcasting, declared Monday at a luncheon meeting of a committee of which the Latin-American consular corps in New York is sponsor, to further good-will between the Americas through the medium of radio.

The purpose of the meeting, according to the New York Times, was to discuss what European stations are doing in broadcasting to Latin America and the part the United States will play in carrying out the purposes expressed in the Buenos Aires Peace Conference called by President Roosevelt in December, 1936, for the development of an exchange of inter-American broadcasts.

"The last few months have served to emphasize what apparently was an unbridgeable difference between life in the Old and the New Worlds", said Mr. Mason. "We believe it will never be necessary for us to dictate to the Old World; we do not want to tell each other how we should live; all we want is that there should be a better understanding between the nations. In carrying out this service of broadcasting, none of us, in our international activities, have any commitment to any ideology, any race or any religious creeds. We wish only to serve in holding up the events of the world through an unblemished mirror, without distortion."

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DENMARK TO REDUCE STATIC CAUSED BY STREET CARS

In an effort to eliminate radio disturbances caused by street cars, the Copenhagen, Denmark, street car company is at present experimenting with sliding shoes as a means of contact with the trolley wires in place of the customary wheels, according to a report to the Department of Commerce from the office of the American Commercial Attache at Copenhagen.

In the event that the experiments prove successful, it was believed likely that the entire system of the Copenhagen street car company which operates 500 cars will be equipped with sliding shoes at an estimated cost of approximately $10,000, the report stated.

Similar equipment such as the Copenhagen company is now experimenting with is generally used by street railway companies in the United States.

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PALEY URGES INDUSTRY TO ADOPT MILITANT PROGRAM

Reporting at the same time to the stockholders of his company and to the listening public, William S. Paley, President of the Columbia Broadcasting System, today (Tuesday) advocated greater public interest in all proposals tending toward censorship of broadcasting, the vesting of program control in any regulating authority, or undermining the American system of private competitive operation.

Mr. Paley, who broadcast his report over the Columbia network, said the broadcasters had been at fault for not participating more fully in public discussions of the use of the medium, suggested that the industry unite on a program of progress, public service and protection and said that the newly reorganized National Association of Broadcasters well might be the instrument for forming and promoting such a program. He added that he believed that the broadcasters, once a program had been formed, should ask for the support of all political parties and all public spirited men and women.

Mr. Paley said that Federal regulation arose originally out of the fact that stations had to be policed in order that their broadcasts should not interfere with each other, since such interference marred the listener's reception. He explained how this necessary policing resulted in the number of stations being limited. Were it not for this limitation, he declared that there would be no more reason for special regulation of broadcasting than there is for regulating newspapers or hardware stores, and urged that regulation, therefore, should be limited to "the bare necessities of the case". These bare necessities, he said, were that all broadcasters should maintain freedom, fairness and non-partisanship of the air.

Mr. Paley expressed the belief that if either Congress or the Federal Communications Commission would make adherence to these three principles a prerequisite of having a license, the regulation of programs themselves would be unnecessary. He said that under the private, highly competitive system in vogue in America, broadcasting had been used more effectively for "the entertainment, the information and the education" of a whole people than it has under any other plan of operation in the entire world.

Mr. Paley discussed with special emphasis his belief that the present short-term licensing system, requiring each broadcaster to seek renewal of his license at the end of each six-month's period, was "as unfair and as unwise as it would be to give men short-term licenses to publish newspapers, to write books or plays, or to make motion pictures. I feel quite sure that nobody really wants to keep broadcasting in a position where it might some day be faced with the necessity of pleasing those in power in order to continue to exist. I do not think it is wise for the American people to allow the whole broadcasting

structure to continue to rest on such a weak foundation." In place of this Mr. Paley proposed licenses over a term of years, pointing out that the license system required the broadcaster to operate in the public convenience, interest and necessity, and suggested that if after a full and open trial it has been proved that the broadcaster has not so operated, the license be taken away from him.

Referring to the Federal Communications Commission's recent decision to make full investigation of network broadcasting and the relationship of stations to networks, Mr. Paley again stressed the present competitive situation as being anything but monopolistic and asserted that broadcasting would suffer very quickly if network operations were limited or hampered.

Referring to current discussion as to whether or not the Commission should seek to regulate prices at which stations could be bought and sold, and as to whether or not the Commission should try to regulate the number of stations a network might own or lease, Mr. Paley said that he believed the ordinary rules of business transactions should govern sales prices and stressed his belief that any system of holding prices down would inevitably tempt a station owner to make as much money as he possibly could, since he would have no inducement to build up a property which either he or his estate could ever sell to advantage. Mr. Paley said he thought this condition would be as inadvisable as it would be to put newspapers in the same situation and said that he did not believe any kind of regulation or legislation "could be sharp enough and shrewd enough to prevent such milking" if station owners could not sell their businesses to anyone else. He further pointed out that the public pays nothing for radio service and therefore is unaffected by the values established for radio stations.

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NBC ADOPTS PLAN TO REDUCE DISTORTION IN TONE

Because of the success of a device reducing the slight tonal distortion caused by transmitting equipment at Stations WJZ and WEAF, key stations of NBC's two networks, to one thirtieth of its formal level, engineers are to install it in all stations owned and managed by the National Broadcasting Company, O.B. Hanson, NBC Vice-President and Chief Engineer, announced this week.

Listeners in areas served by these stations, said Mr. Hanson, will notice a considerable improvement in reception quality when the work is completed. Installation has also been completed at Station WTAM, Cleveland.

Work on preparing the giant NBC transmitters for incorporation of the new device, called "reverse feedback", began more than a year ago. Following a long period of study of transmitter characteristics, NBC engineers under the direction of Raymond F. Guy, Radio Facilities Engineer, undertook extensive overhauling of the WEAF and WJZ transmitters to reduce

transmitter harmonics to their absolute minimum. Equipment was replaced and new circuits were devised before "reverse feedback" was built into the transmitters.

"'Reverse feedback'," said Mr. Hanson, in explaining the device, "is a mouthfilling phrase to describe a comparatively simple idea. The idea is to cancel a plus quantity with a minus quantity. We have applied this to transmitter harmonics.

"These false harmonics are inherent in vacuum tube circuits and radio transmitters. We may, for instance, deliver a perfectly pure tone to the transmitter, but in passing through great amplifying tubes it accumulates some harmonic distortion.

"In using reverse feedback at our two New York City stations, we take a small amount of energy as it leaves the transmitter, but before it goes to the antenna. This energy, of course, carries with it the unwanted harmonics that distort radio signal quality. Then we completely reverse its phase; we turn it upside down, so to speak. Where there was a peak in the original energy wave, we create a corresponding dip. Then we bring this energy around to the point where the program is entering the transmitter and feed it into the circuit. The re-introduced harmonics, being negative in relation to those created in the transmitter equipment, cause almost complete cancellation of the latter.

"It is the combination of this new 'reverse feedback' with extensive overhauling of our transmitters that has reduced this annoying form of distortion to practically zero at the WEAF and WJZ transmitters."

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NETWORK WINS NLRB RULING IN LABOR SKIRMISH

Networks will not be required to bargain collectively with technicians for each local outlet, according to a ruling of the National Labor Relations Board, which refused to recognize the American Radio Telegraphists' Association, a CIO affiliate, as bargaining agency for WABC, CBS outlet in New York.

At the same time the Board held that Associated Broadcast Technicians is a voluntary and not a company union, as contended by CIO.

The action in denying the petition on behalf of employees solely at WABC, was based on the ground that the history of bargaining, technical and functional coherence, and similarity of wages and working conditions through the system made the local unit inappropriate, and that consequently there was no question concerning representation of employees.

The Board's decision, in part stated: "As is generally true in the communications industry, and in radio broadcasting in particular, the work at the various stations must be perfectly coordinated. To distribute satisfactorily radio programs to an international audience requires instantaneous functional coherence throughout the company's system. Such coherence is made possible by constant intercommunication among the technicians and engineers by direct wires connection the stations."

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NATIONAL BROADCASTING CO., Inc.
LEGAL DEPARTMENT
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No. 1115

TWO FCC GROUPS NAMED TO PUSH INVESTIGATIONS

Reverting somewhat to the division system he abolished on taking office, Chairman Frank R. McNinch this week announced that the Federal Communications Commission had set up two committees to supervise authorized FCC inquiries on monopoly and super-power.

Chairman McNinch will serve as ex-officio member of both committees, which are authorized to elect their own chairmen and report their findings and recommendations to the full Commission for action.

The group which will supervise the investigation of chain broadcasting and monopoly in the broadcasting industry, in compliance with the resolution adopted March 18, comprises Commissioners Paul A. Walker, former Chairman of the Telephone Division, Eugene O. Sykes, former Chairman of the Broadcast Division, and Thad H. Brown.

Named to control the super-power hearing, which is scheduled to begin May 16, were Commissioners T.A.M. Craven, George Henry Payne, and Norman S. Case.

The separation of the two inquiries and the setting up of separate committees was done ostensibly because of the accumulation of work before the FCC. However, it has the effect of removing from the monopoly probe two members who clashed with the Chairman at the time the inquiry was authorized.

Commissioner Craven sponsored the first resolution calling for an investigation of monopoly charges, and he was supported by Commissioner Payne. Mr. Craven subsequently voted for the substituted McNinch resolution, but Commissioner Payne opposed it.

The presence of Judge Sykes on the Committee which will investigate chain broadcasting and charges of monopoly will give supporters of the status quo in the industry considerable comfort because of his friendliness toward the networks in the past.

In announcing the appointment of the Committees, Chairman McNinch said:

"The Committees are to make reports to the Commission with recommendations for action by the Commission and will assume active direction over the work of the Commission staff in connection with the matters delegated to them.

"The Commission deemed it necessary and advisable in order that these matters may be handled more aggressively and effectively, to divide the work among the members of the Commission. Through these committees the staff work which has been under way in connection with these matters for some time may be more effectively coordinated and more expeditiously brought to completion."

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FACSIMILE, TELEVISION PROGRESS CITED BY SARNOFF

While still in the experimental stage, facsimile broadcasting and television are "in the advanced stages of this cultivation period", David Sarnoff, President of the Radio Corporation of America, declared this week in his annual report.

"Various broadcasting stations will shortly commence experimental transmission by facsimile of news bulletins and pictorial material to a limited number of receivers in their local areas", he said. "The RCA Manufacturing Company is now building facsimile transmitters and several hundred receivers which have been ordered by independent broadcasting stations for this purpose. The fundamental technical problems of facsimile have been solved, and the immediate question is largely that of determining useful and self-supporting services for the medium.

"While the technical and economic problems of television are far more complicated, progress towards their solution continues to be made. Television pictures are larger, sharper, and more brilliant than a year ago, due to marked improvements in both transmitting and receiving apparatus. Developments now under way look toward the acceptance by the industry of definite technical standards, which must be established before any public television service is practicable.

"Meanwhile, the NBC is continuing its study and experiments with television programs, both inside and outside the studio. The new NBC mobile television unit, the only apparatus of its kind in the United States, is being tested on outside pickups. This is an all-important field for experiment, since on-the-spot pictures of news events are certain to furnish one of the most useful and popular services of television."

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WLW RENEWAL LINKED WITH SUPER-POWER HEARING

Renewal of the experimental license of Station WLW, Cincinnati, permitting operation on 500,000 watts, has been scheduled for hearing before the Federal Communications Commission along with the applications of 14 clear channel stations for similar power, it was disclosed this week.

WLW's second application for use of 500 KW on a regular non-experimental basis also is on the same docket.

With Commissioner George Henry Payne on the Committee that will conduct the hearing, a lively time may be expected in view of past encounters between Commissioner Paye and Powel Crosley, Jr., owner of WLW.

For several years the Cincinnati station has operated as the most powerful broadcasting station in the United States, and its experimental license has been renewed each six months without hearings or protests. FCC engineers have endorsed the experiment as an invaluable practical test of super-power and have declared as a result that super-power is technically sound.

A year and a half ago, however, Commissioner Payne and Mr. Crosley crossed words at a broadcast hearing before the full Commission. An exchange of acrimonious letters followed as Mr. Crosley refused to furnish statistical data on WLW requested by the Commissioner.

Commissioner Payne got his revenge this year when in the routine of the reorganized FCC, he received the application of WLW for renewal of its experimental license. Instead of granting it as the Commission had done in the past, he set the application for hearing.

The fourteen other applicants for super-power, and their present assignments, who this week were notified formally of the hearing scheduled for May 16th to determine whether the FCC rule limiting clear channel station power to 50 KW should be amended, are:

WHO, Central Broadcasting Co., Des Moines, Iowa, 50 kw, 1000 kc., unlimited time; WJZ, National Broadcasting Co., New York, N. Y., 760 kc., 50 kw., unlimited time; WGN, Chicago Tribune, Chicago, Ill., 720 kc., 50 kw., unlimited time; WHAS, The Courier-Journal Co., and The Louisville Times Co., Louisville, Ky., 820 kc., 50 kw., unlimited time; KFI, Earl C. Anthony, Inc., Los Angeles, Calif., 640 kc., 50 kw., unlimited time; WJR, WJR, The Goodwill Station, Detroit, Mich., 750 kc., 50 kw., unlimited time; WSM, The National Life & Accident Insurance Co., Nashville, Tenn., 650 kc., 50 kw., unlimited time; KDKA, Westinghouse Electric & Manufacturing Co., Pittsburgh, Pa., 980 kc., 50 kw., unlimited time.

Also, WOR, Bamberger Broadcasting Service, Inc., Newark, N. J., 710 kc., 50 kw., unlimited time; KNX, Western Broadcast Co., Los Angeles, Calif., 1050 kc., 50 kw., unlimited time; WOAI, Southland Industries, Inc., San Antonio, Texas, 1190 kc., 50 kw., unlimited time; WGY, General Electric Co., Schenectady, N. Y., 790 kc., 50 kw., unlimited time; KSL, Radio Service Corp. of Utah, Salt Lake City, Utah, 1130 kc., 50 kw., unlimited time; WSB, Atlanta Journal Company, Atlanta, Ga., 740 kc., 50 kw., unlimited time.

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NETWORKS SET NEW RECORDS IN MARCH SALES

In the face of a business recession, the broadcasting business appears to be booming. Both major networks this week reported that March time sales had set new records.

The National Broadcasting Company announced that advertisers had invested more money in time on its networks in March than in any previous month in the company's history, the total gross billings amounting to $3,806,831, up 5.3 percent over March, 1937.

The previous high was established in January, 1938, when the total was $3,793,516. The February figure was $3,498,053, a record for that 28-day month.

The accumulated NBC billings for the first quarter totalled $11,098,400, up 6.2 percent over January - March 1937, the highest previous quarter in NBC history.

Gross time sales on the Columbia network for March totalled $3,055,929, an increase of 19.4% over the same month in 1937 and the first time in the history of broadcasting that a month's revenue on any single network has exceeded $3,000,000. Cumulative billings for the first quarter of 1938 totaled $8,628,689, a 19.8% increase over the corresponding period last year and the largest three-month total ever recorded by any network.

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A new broadcasting station at Rice Lake, Wis., to operate on 1210 kc. with 100 watts power, daytime, was authorized by the Federal Communications Commission this week. The applicant is Walter H. McGenty.

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RADIO EXCISE TAX TO CONTINUE ANOTHER YEAR

Despite a diligent campaign by the Radio Manufacturers' Association for repeal of the 5 percent Federal excise tax on radio apparatus, the levy will be continued at least another year. It will expire June 30, 1939, unless renewed.

The Senate Finance Committee this week reported the general revenue bill without taking any action to eliminate the radio tax.

"In addition to the large revenue of over $6,000,000 annually collected, easily, from the radio tax", Bond Geddes, Executive Vice-President of the RMA explained, "it is evident that Congress is not convinced that radio is a 'necessity' although a vast agency of public communication and in general usage. This is involved in the present consideration in Congress and by the Federal Communications Commission of a new tax on revenue of broadcast stations. Another factor in omission of action on the radio excise tax was that it now furnishes the only radio revenue to the government, while broadcasting enjoys free franchises of public domain airways."

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NO MOVE TO SELL S-W ADVERTISING, SAYS BULLOCK

American short-wave broadcasters are not trying to get the Federal Communications Commission's ban on advertising lifted, despite published reports to the contrary, according to Boyd Bullock, Assistant General Manager of Broadcasting for the General Electric Company.

A report that the proposal had been made during a recent meeting of international station representatives with Dr. John W. Studebaker, U. S. Commissioner of Education, was denied by Mr. Bullock.

"I am sure that no one there wanted to commercialize, that is sell, short-wave advertising", he said.

"The only thought expressed was that the ban placed on the use of the Pan American frequencies deprives Latin American listeners of some of the best programs in the world because it precludes the announcement of even the name of the sponsor.

"I am quite sure that none at the meeting was dissatisfied with the regulations surrounding the international frequencies, other than the so-called Pan American frequencies, but merely felt that the best interests of everyone concerned were served if the same regulations governed all international broadcast frequencies."

The General Electric Company was allocated two of the Pan American frequencies on February 1.

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SALE OF CANADIAN HOLDINGS BY RCA DISCLOSED

The sale of holdings in the Canadian Marconi Company two months ago by the Radio Corporation of America was disclosed by David Sarnoff, President of the Radio Corporation of America, in his annual report to stockholders this week. Disposal of stock in Japanese communications also has been effected, he said.

"This does not mean, however, that we are withdrawing from the foreign field", he said. "We have patent license and engineering service agreements with leading companies in the principal foreign countries and these agreements result in the payment to RCA of substantial royalties and service fees and, in addition, gives us rights in the United States under the patents of such companies."

RCA holdings in Canada were sold for $1,725,000 cash, with a profit of $719,000, Mr. Sarnoff said. The buyer was the Cable and Wireless Trust of London.

Mr. Sarnoff gave a detailed analysis of the gross revenues and net income received from the National Broadcasting Company, RCA's most important subsidiary. The National Broadcasting Company had a net profit of $3,700,000 in 1937, after deductions for all operating expenses and charges, he said. This accounted for approximately 40 percent of RCA's entire net for the year. Gross revenues of NBC last year aggregated $41,000,000, or about 36 percent of the corporation's entire gross of $112,639,000.

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DENMARK TO IMPROVE S-W TRANSMISSIONS TO U.S.

Denmark is preparing to improve its short-wave transmissions to the United States, according to a report of the American Commercial Attache at Copenhagen.

"The budget of the Danish Government radio broadcasting monopoly, the 'Statsradiofonien', for its fiscal year beginning April 1, 1938, has been passed with income totaling 6,750,000 kroner and expenditures aggregating 5,310,000 kroner, leaving an estimated surplus of 1,440,000 kroner", he said.

"Plans discussed in connection with the budget included an improvement of the short-wave transmissions. These have so far been made on a wave length of 31.51 meter and have been the object of severe criticism because, among other things, they were difficult to receive by the Danish-Americans in the United States. Allotments have therefore been made to improve the short-wave sendings, including an extension of the short-wave aerial, etc. and to institute experiments with sendings on two new wave lengths, namely 19.78 and 16.90 meters."

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APPLICANT ASKED TOO LITTLE; DENIAL SUGGESTED

Because an applicant asked for too little, an Examiner of the Federal Communications Commission this week recommended that the Commission deny the application.

Reporting on the request of N. B. Egeland, of Fort Dodge, Ia., for a permit to erect a new station for operation on 1500 kc. with 100 watts power, daytime, Examiner Tyler Berry said:

"The applicant proposes a 100-watt daytime station to operate from 7:30 A.M. to 6:00 P.M. in an area where the local social, religious, educational, civic, and agricultural interests are shown to embrace an extensive area. Operating as proposed, the station would not serve all of the area within the city limits of Fort Dodge with a 10 mv/m signal. It would render a 2 mv/m signal to practically all of Webster County and small areas in four adjoining counties. However, this is but a very small part of the area from which the City of Fort Dodge draws its commercial and other activities, and no night service whatever is proposed.

"The granting of this application would, therefore, result in an uneconomical use of the frequency and its utilization, as proposed, would prevent its use for the benefit of an extensive area including the City of Fort Dodge."

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CANADIAN RADIO RECEIVER LICENSE FEE INCREASED

Canadian radio receiver licenses which formerly have been issued at $2.00 per year will be increased to $2.50 per year, according to a recent announcement by the Minister of Transport reported to the Department of Commerce by the office of the American Commercial Attache at Ottawa.

It was announced at the same time that the existing regulations which permit a single license to cover more than one radio receiver in a residence or a household receiver and an automobile receiver, will be cancelled.

The action was said to be necessary in order to provide additional revenue to cover the increased expenditure of the Canadian Broadcasting Company.

It was reported that a total of 988,140 private receiving station licenses were issued in Canada during the first eight months of the current fiscal year and is expected that a total of 1,125,000 licenses will be issued during the entire fiscal year.

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TRADE NOTES

Radio exports last February decreased 32 percent compared with February 1937, but were larger than January, according to the latest report of the U. S. Bureau of Foreign and Domestic Commerce. Total February exports were $1,621,426, a slight increase over the preceding month, but compared with radio exports of $2,375,752 in February, 1937.

Francis C. Barton, Jr., has joined the Columbia Broadcasting System to be associated with Leonard Hole, Director of Program Service. Mr. Barton was formerly with N. W. Ayer & Son, Inc., where he was a member of the radio department for seven years, and head of the agency's Albany office since last August.

Examiner George H. Hill this week recommended to the Federal Communications Commission that it deny the application of C. Bruce McConnel, of Indianapolis, Ind., for a construction permit to operate a new station on 1500 kc. and renew the license of WKBV, Richmond, Ind., now on 1500 kc.

The first meeting of the Department of Labor in consideration of minimum wage rates to be established for the radio manufacturing industry under the Walsh-Healey Act has been ordered for 10 o'clock, April 26, at Washington. The first meeting will be an informal conference of the "panel" constituting leading manufacturers and labor representatives invited to serve by the Government and including Bond Geddes, Executive Vice-President of the RMA, which has been cooperating with Government officials in securing proper industry representation.

The National Broadcasting Company's total number of stations will rise to 150 on May 1 when KGKO, Fort Worth-Dallas, and KTOK, Oklahoma City, join the networks as part of a new Southwestern Group available to either the Blue or Red network. KGKO, owned by the Wichita Falls Broadcasting Co., at present is located at Wichita Falls, Tex., but is being moved to midway between Fort Worth and Dallas, where it will operate full time on 570 kc., with 5,000 watts daytime power and 1,000 watts at night. KTOK is owned by the Oklahoma Broadcasting Co., Inc., and operates full time on a frequency of 1370 kc. with 100 watts.

Nominations for the second annual William S. Paley Amateur Radio Award, presented "to that individual who, through amateur radio, in the opinion of an impartial Board of Awards, has contributed most usefully to the American people, either in research, technical development or operating achievement",

were sent out this week to the members of the Board of Awards. The decision of the judges is expected to be received during the latter part of this month, and the trophy will then be awarded by Mr. Paley, President of the Columbia Broadcasting System, to the selected recipient early in May.

Important projects for the entire radio industry will be considered at a meeting called of the RMA Board of Directors on Thursday, April 21, at the Hotel Roosevelt, New York City. Included will be plans for general industry promotion, including sales stimulus, and also development of industry statistics by the RMA. The projects were outlined tentatively at a meeting March 31 in New York of RMA Directors engaged in receiving set manufacturing, presided over by President Leslie Muter of the Association. The RMA Board also will complete the program for the Fourteenth Annual Convention of the Association at the Stevens Hotel in Chicago, June 7-8, coincident with the National Radio Parts Show.

The Columbia Broadcasting System, Inc., announces the following changes in personnel: W. A. Schudt, Jr., who has been manager of Station WBT, Charlotte, N.C., will become Manager of Station WKRC in Cincinnati; Lincoln Dellar, of the Station Relations Department, will become Manager of Station WBT; John McCormick will move from Cincinnati to Minneapolis, where he will become Assistant to Earl Gammons, General Manager of Station WCCO.

A bust of Guglielmo Marconi was presented last Sunday night to David Sarnoff, President of the RCA, by the Italian Professional Women of America. Maria Lo Pinto, President of the organization, who presented the bust, explained that it was only a preliminary effigy. A final plaque would be made, she said, to be placed in the RCA Building of Rockefeller Center.

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STATE STATION BALKED IN MOVE TO EXPAND SERVICE

An unfavorable Examiner's report this week stood in the way of a move by Wisconsin's State station, WLBL, Stevens Point, to broaden its service to farmers of the State by adding night broadcasts. Examiner Robert L. Irwin said the expansion would cause interference with privately-owned stations.

Operated by the Department of Agriculture and Markets, WLBL broadcasts market and weather reports to farmers of the State throughout the day. The night service was intended for dairy farmers, who could not tune in in the daytime.

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PRINTING OF TELEPHONE REPORT ASKED BY WHEELER

A resolution authorizing the printing of the proposed report of the Federal Communications Commission, as written by Paul A. Walker, on the telephone inquiry, be printed as Senate document was introduced in the Senate this week by Chairman Wheeler, of the Committee on Interstate Commerce. The resolution was referred to the Committee on Printing for recommendation.

Senator Bone (D.), of Washington, in commenting on the resolution on the Senate floor, said:

"This report is one of the most elaborate and comprehensive reports prepared by any of the agencies of the Government in many years. It has cost $1,500,000, and some 300 employees and experts were utilized in gathering this valuable compendium of information. The Commission has not acted on the report, which was merely presented to it by Commissioner Walker, with the request that it be transmitted to Congress for such action as might be deemed in the public interest.

"Mr. President, all of us will have many requests for this report. Whether or not we agree with the conclusions of Commissioner Walker is beside the point. Every Member of the Senate and every Member of the House will be asked for copies of this very comprehensive report; and, unless it be printed, most Members of Congress will never have an opportunity to see it, because only a few mimeograph copies of it are available. I think it is in the public interest that the report be printed; and had not my colleague, the Senator from Montana (Mr. Wheeler), requested authority to have it printed, I myself should have done so.

"I sincerely hope the Committee on Printing, to which the resolution has been referred, will see fit to report back the resolution with the recommendation that it be adopted by the Senate."

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DAMROSCH REPRIMANDED BY MUSICIANS UNION

Dr. Walter Damrosch, of radio and theater fame, was reprimanded by his own union, the American Federation of Musicians, this week in New York. The action was taken by the Executive Board of Local 803 "for conduct injurious to" the Union as a result of several speeches made by Dr. Damrosch in which he said some members of the Union are incompetent and that the Union is causing unemployment by insisting on high wage scales.

In adopting the decision the Executive Committee said it had found Dr. Damrosch "guilty as charged" but did not expel him from the Union. The reprimand admonished him that "a repetition of the offense will be more severely dealt with."

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EUROPE INTERESTED IN U.S. S-W BROADCASTS

Rapidly growing interest in American short-wave news broadcasts throughout Europe and the Eastern Hemisphere was reported by E. K. Cohan, Director of General Engineering for the Columbia Broadcasting System, as he returned to America after attending the International Telecommunications Conferences at Cairo, Egypt, during February and March, and then making an extended tour of Europe.

Europeans are discovering, Mr. Cohan declared, that American short-wave news broadcasts are a medium whereby they can get world news uncensored and unflavored by nationalistic propaganda as it is in most of the foreign broadcasts and in the foreign press.

"When I left for Cairo", he said, "I had only the vaguest hope that I would be able to find someone in Egypt who listened to Columbia's international short-wave station, W2XE.

"But, as it turned out, I had a real job to find someone who wasn't a constant listener to it, both in Cairo and throughout Europe, wherever I traveled after the conferences."

Mr. Cohan attended the Telecommunications Conference as an American representative and he had high words of praise for the work done there by the official American delegation, headed by Senator Wallace White, of Maine.

After the conferences in Egypt, Mr. Cohan visited broadcasting centers in Italy, Germany, Holland, Belgium, France and England.

While all the continental powers are spending large amounts on radio development, particularly on short-wave operations, he said, he yet believed that American radio's technical standards in every instance were as high and, in many instances, much higher than those of European nations.

Mr. Cohan declared that he was somewhat disappointed in the public response to television in England, the country which admittedly is in advance of other nations in that field. While the BBC engineers were making highly satisfactory advances, he said, the public seemed to be just curious rather than evincing a real program interest in television.

"It wasn't possible to get actual figures on the number of home sets in operation", he added, "and the estimates ranged from 3,000 to 10,000. I believe the lower figure is probably the more accurate."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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April 12, 1938.

McNINCH HEADS PROBE AS HOUSE HEARS NEW BLAST

The authorized investigation by the Federal Communications Commission into chain broadcasting and charges of monopoly within the radio industry will be conducted under the thumb of Chairman Frank R. McNinch, it became apparent this week, when the Special Committee elected him Chairman.

While designated originally as only an ex-officio member of the Committee, Chairman McNinch was chosen to head the same by Commissioners Eugene O. Sykes, Thad H. Brown, and Paul A. Walker. Commissioner Brown was elected Vice-Chairman at the same time.

The date of the inquiry was still indefinite, but it became more apparent that the Commission has no intention of opening hearings until after Congress adjourns.

"The Committee directed the staff to report at the earliest possible date a list of all contracts relative to chain broadcasting", a FCC statement said, "now on file with the Commission, together with an analysis or brief summary of the terms of such contracts."

Coincident with the FCC announcement, Representative Connery (D.), of Massachusetts, blasted the Commission and the House Rules Committee for blocking a Congressional inquiry as proposed originally by his late brother.

After inserting in the Record, letters and newspaper clippings in which Chairman O'Connor, of the Rules Committee, was quoted as saying he would push the Congressional inquiry, Representative Connery said:

"Congress has had presented to it ample evidence of the deplorable conditions prevailing in the Federal Communications Commission. The facts concerning the monopolistic control of radio broadcasting on the part of a privileged few, residing in New York City, who control, through ownership and lease, the more important and powerful stations, and through network affiliations those radio stations using more than 90 percent of the power used at night for the broadcasting of radio programs, have been presented to this House. The absolute refusal of the Commission to bar from the radio those programs which were not only sensuous and blood curdling, but, actually obscene, indecent, and profane, has been defended on the basis that the Congress has denied to the Commission the right to censor programs.

Incidentally these programs which I have reference to were so much more objectionable than the program recently broadcast by Mae West that there is really no comparison.

"However, the Congress has specifically provided that radio franchises shall be issued only when public interest, convenience, or necessity will be served, and surely radio stations broadcasting obscene, indecent, or profane programs into decent self-respecting American homes are not serving either public interest, convenience, or necessity.

"Two years ago my late brother, Congressman William P. Connery, Jr., demonstrated that those whom the Federal Communications Commission had licensed to operate radio broadcasting stations had little respect for the decencies which should prevail when they, one might well say, protected the principal part of the radio monopoly, the National Broadcasting Co., from punishment for broadcasting into American homes programs which were indecent and profane.

"Later, other similar programs were called to the attention of the Commission, but no action was or apparently could be taken. The question arises, Are the majority of the Federal Communications Commission, in reality, free agents? Some of the programs were so obscene, profane, or indecent that the Post Office Department officially ruled that they were not mailable.

"Hearings of the House Appropriations Committee show that the Federal Communications Commission has sat silently by while a privileged few, through their ability and their willingness to dispense large sums of money, have gobbled up control through ownership or lease or network affiliations of all the clear channel stations, almost all of the regional stations, and a large number of even the 100-watt stations.

"There are but a few radio stations licensed to operate at night with power in excess of 1,000 watts which are wholly free agents and which can actually serve public interest, convenience, or necessity, because of the domination or control, in many instances resting in the hands of persons residing hundreds, yes, thousands of miles away. Naturally, those who are not conversant with or have no interest in the affairs of any particular community cannot serve public interest, convenience, or necessity.

"Those Members of the House who have looked into this question of radio monopoly and indecent radio programs read with pleasure the well-publicized address of Chairman McNinch, some months ago, wherein he stated that he would have the Commission investigate radio monopoly and chain broadcasting. However, it would appear that the influence of the radio monopolists, who probably realized what such an investigation would mean, soon brought about a change of heart on the part of Chairman McNinch.

"Two months after Chairman McNinch had publicly stated he would instigate this investigation, during which time he had taken no action, we find the Chairman reported in the Washington Herald as voting against a resolution, presented by Commissioner Craven and seconded by Commissioner Payne, calling for the appointment by the Commission of a committee to investigate monopolistic conditions in radio and chain broadcasting. Chairman McNinch attempted to have the Craven resolution set aside in favor of an investigation by a few Department employees. However, when a majority of the Commission refused to table the Craven resolution to investigate the radio monopoly, those who opposed the investigation, under the leadership of Commissioner Case, succeeded in delaying action for a few days. At the next meeting we find Chairman McNinch presenting a substitute for the Craven resolution which provides for a committee of the Commission, to be appointed by ChairmanMcNinch, to investigate radio monopoly.

"The honesty of purpose of this investigation, voted by the Commission, can well be judged by considering the background and the interest of those members of the Commission whom Chairman McNinch appointed to conduct this investigation.

"We find that Chairman McNinch has appointed as a committee to investigate radio monopoly and chain broadcasting the two members, who, more than all other members combined, made radio monopoly a reality, and who have at all times refused on one pretext or another to penalize those radio stations which have broadcast indecent, profane, or otherwise objectionable programs. He turned over control of this so-called investigation to the only two members of the Commission whom President Roosevelt inherited from the administrations of Coolidge and Hoover, namely Commissioners Sykes and Brown.

"This deliberate attempt to hoodwink the Congress and to whitewash the actions of those, who, through their control of money have created this radio monopoly, those who have trafficked in and been enriched through the granting, sale, and purchase of radio franchises, which property the Congress specifically reserved to the American people, is apparently made with the pious belief that such a Commission investigation will forestall a constructive and factual investigation on the part of the Congress itself.

"Such investigation, or possibly whitewash, by the Commission itself is apparently resented by those members of the Commission who, honestly minded and with nothing to hide or to have whitewashed, are not fearful of or afraid of a Congressional inquiry. This present minority, at least, is willing to have the Commission declare itself whether or not it fears an investigation on the part of either branch of Congress."

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CASE HEADS SUPER-POWER COMMITTEE

The sub-committee of the Federal Communications Commission to investigate super-power has elected Commissioner Norman S. Case as Chairman of the committee and Commissioner T.A.M. Craven as Vice-Chairman. Commissioner George Henry Payne is the third member of the sub-committee. The hearings will begin on May 16th.

Commissioner Case was formerly a member of the FCC Broadcast Division, abolished by Chairman Frank R. McNinch last Fall. Chairman McNinch will serve as ex officio member of the super-power investigating committee.

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CONGRESSMEN'S RADIO SPEECHES ADD TO CAPITOL WORK

The frequency with which members of Congress go on the air is adding to the work of legislative employees in the U. S. Capitol and to the costs of the Federal Government, it was disclosed this week.

Joseph Sinott, House doorkeeper, told a sub-committee of the House Appropriations Committee, that most members who speak over the radio have copies of their speeches printed and mailed home to their constituents in case they didn't tune in.

This adds to the work of the folding room, Mr. Sinott said, where the speeches are prepared for mailing.

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RADIO REPRESENTED AT GRIDIRON CLUB DINNER

Prominent persons in the broadcasting and radio industry were guests at the semi-annual Gridiron Club dinner Saturday night in Washington. Among those present were the following:

Thad H. Brown, Federal Communications Commissioner; Gene Buck, President, American Society of Composers; Louis G. Caldwell, radio counsel; John W. Guider, radio counsel; Alfred J. McCosker, President, WOR Broadcasting Co.; E. F. McDonald, Jr., President, Zenith Radio Corporation; Frank Russell, Washington, Vice-President, National Broadcasting Company; Kurt G. Sell, German Broadcasting Co.

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MACKAY LOSES APPEAL IN FIGHT WITH RCA

The Mackay Radio & Telegraph Company this week lost another round with the Federal Communications Commission and the Radio Corporation of America in its attempt to establish radio communication connections with foreign points now served by R.C.A. Communications, Inc.

The United States Court of Appeals of the District of Columbia on Monday upheld an FCC order refusing Mackay a license to maintain service with Oslo, Norway.

The court held that there is nothing in the Communications Act which requires the FCC to insist upon competition in the radio communications field and that the FCC order was therefore not arbitrary.

The opinion also pointed out that radio traffic between the United States and Norway is small.

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PAYNE TURNED DOWN ON MONOPOLY RESOLUTION

Commissioner George Henry Payne, who was the only member of the Federal Communications Commission who voted against the McNinch resolution for an investigation of chain broadcasting and monopoly charges, last week was blocked in a move to inform Congress that the Commission would welcome a Congressional inquiry of the FCC and the industry.

Commissioner Payne, who supported Commdr. T.A.M. Craven in his original resolution proposing a monopoly probe, had Commissioner Craven's support in return. All other members of the Commission, however, voted to postpone action, temporarily tabling the resolution, which read as follows:

"Whereas there have appeared in print representations that this Commission or members thereof are opposed to an investigation by Congress; and

"Whereas the members of this Commission neither fear an investigation nor wish to see it blocked; and

"Whereas the recent proposal of the Commission to conduct an investigation of its own has been criticized as an effort to forestall Congressional inquiry and as an attempt to investigate itself; Therefore be it

"Resolved, That the Chairman of the Rules Committee of the House of Representatives be notified that this Commission is not only not opposed to such a Congressional inquiry, but welcomes it both as to the entire subject of communications and the Commission itself."

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LONGER LICENSES FAVORED BY PUBLISHERS' ORGAN

Endorsement of the plea of William S. Paley, President of the Columbia Broadcasting System, for longer broadcasting licenses than six months was given last week by Editor & Publisher in the following editorial:

"The essential delicacy of the position of American broadcasting can be sensed from the annual report this week of William S. Paley, President of the Columbia Broadcasting System. He points out that the present American system of regulating radio is an outgrowth of the necessity of policing against interference of broadcasts, and plainly implies a belief and a hope that the present system is not the last word.

"Also engaging his attention is the potential menace of censorship, for which he urged wider public interest. It is linked with the licensing system, tightly under present rules, and we agree with the CBS head that it need not be and probably should not be.

"The present short-term licenses are a formidable barrier to comfortable operation of radio stations as newspaper adjuncts. There is always the peril that a politically-minded Commission can make the renewal of a newspaper-owned radio license conditional upon 'good behavior' of the editorial owner, and while we know of no such black-jacking to date, its possibility is always present.

"There may be sound reasons why long-term licenses cannot be granted, removing them definitely from the political arena, and making them revocable if the Commission can establish in open court that the licensee is not adhering to the conditions upon which short-term licenses are now held. If there are such reasons, we have not heard them. The fondness of Congress and the executive for short-term licenses can probably be traced to the belief that radio stations with a sword hanging continually overhead will not be likely to offend the politicians in the fashion made familiar by untrammeled newspapers."

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The New Zealand Government, Post and Telegraph Department, will purchase radio short-wave transmitters, direction finders and short-wave receivers, the U. S. Commerce Department reports.

"Specifications have been received forradio equipment on which quotations are desired delivered at Wellington", the report states. "Quotations will be received to noon May 10,1938, Interested firms may receive a copy of the specifications by writing to the Electrical Division, Bureau of Foreign and Domestic Commerce, Washington, Department of Commerce, or through any of the District Offices."

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TELEVISION-TELEPHONE SERVICE INAUGURATED IN GERMANY

A new telephone-television cable which permits simultaneously transmission of television conversation and 30 ordinary long distance telephone conversations has been added to the service between Leipzig and Berlin, according to a report by the American Consulate at Leipzig made public by the Department of Commerce.

It is claimed that this development is only in its primary stage and that the system can be ultimately extended to permit 200 simultaneous long distance telephone conversations, the report stated.

The new innovation was achieved by the joint cooperation of the German Reichs-Post and a Berlin firm which specializes in this field.

Many visitors at the Leipzig Spring Fair, which was recently concluded, are reported to have used the service.

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RADIO BIBLIOGRAPHY ISSUED BY COMMERCE DEPARTMENT

A comprehensive bibliography of radio publications, covering sixty-four pages, was issued this week by the Electrical Division, U. S. Bureau of Foreign and Domestic Commerce.

Books and periodicals included are those that:

1. Are solely devoted to a strictly radio subject, or as much to radio as to any other subject. Non-radio developments arising from radio research are not considered suitable for listing.

2. Have been published or revised since 1933, with exception of any previously published that have not been rendered obsolete by later publications from any source.

3. Are published in the English language, and

4. Constitute a standard reference, text, or reading instructive as to radio subjects, including history.

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BBC GETS BIGGER FEE SHARE FOR EXPANSIONS

The British Broadcasting Corporation will get a larger share of the radio set license fees this year than heretofore to pay for expansions of its short-wave and television services, according to a report of the American Commercial Attache at London.

About a third of the revenue heretofore allocated to the British Treasury will be allocated to the BBC this year, the report states.

"On a basis of the past year's income", the report explains, "this will amount to a sum of something more than £360,000 and presumably, the reason the Government has been so willing to release this sum from the Treasury to the broadcasting operations is because of the foreign language broadcasts newly undertaken and the planned expansion for television transmissions. Both of these activities are considered as a legitimate charge, or at least warranting financial support on the part of the Government.

"More current developments with regard to the BBC not covered in the annual report for 1937 include further foreign language broadcast services. The programs in Arabic were started before the end of the year and comment concerning these has been reported previously. It is now definitely announced that a broadcast service of news bulletins in Spanish and Portuguese, specially designed for listeners in Central and South America will be broadcast daily on two short wave transmitters, beginning in mid-March.

"There is also the question of BBC difficulties with the Musician's Union, based upon a demand by the musicians for higher remuneration for broadcasting services. This difficulty is not completely settled as yet.

"A further announcement concerns the erection of a new headquarters for Northern Ireland at Belfast, which will be started soon and will consist of a rather large six-story building near the business center of the city, with all necessary facilities for the various radio services.

"Another current activity of the BBC is the opening of a travelling exhibition, which is designed to demonstrate to the public the actual operation of radio broadcasting. During the coming Spring and Summer, this will be used at Glasgow Empire Exhibition and thereafter, it will be sent to other parts of the country where active interest is displayed."

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COSTA RICAN S-W STATION MARKS TENTH ANNIVERSARY

Claiming rivalry with the United States, England, and Holland in pioneering work in short-wave broadcasting, Costa Rica is preparing for the forthcoming tenth anniversary on May 4 of Station T14-NRH, "The Voice of Costa Rica", at Heredia.

The Chicago Short Wave Radio Club, in publicizing the anniversary, observes:

"When the British Broadcasting Corporation was transmitting experimentally on short waves nearly ten years ago over their experimental short-wave station G5SW at Chelmsford, near London, England - when the Philips Radio Laboratories at Eindhoven, Holland, were doing the same thing over Stations PCJJ and PHI when the Westinghouse Electric and Manufacturing Company at Pittsburgh, Pennsylvania, was conducting experimental transmissions over W8XK and when the General Electric Company made occasional tests with their Station W2XAF at Schenectady, New York - a radio wizard, 'The Marconi of Costa Rica' - not a company or a large organization with unlimited resources at their disposal, but one single man - was establishing his country on the same level of radio with England, Holland, and the United States of America, pioneering the short-waves along with organizations of international fame in what was then the almost unknown city of Heredia.

"'A prophet is not without honor save in his own country.' But in the case of Amando Cespedes Marin of Heredia, Costa Rica, 'a prophet is not without honor.' In his own country, Sr. Cespedes has been royally honored but his accomplishments are even better known and appreciated in the outside world."

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The French War Minister and the Air Minister have submitted to the Chamber of Deputies a project of law with a view to increasing the well-being of the French Army, and tending to develop cooperative regimental organizations of recreation, the U. S. Commercial Attache at Paris reports. Such cooperative organizations will include amusement halls to be satisfactorily provided with phonographs, pianos, and particularly, with radio sets. This arrangement, of course, will probably mean an increase in radio sales.

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NEW KNX TRANSMITTER TO BE PLACED IN OPERATION SOON

A new 50,000 watt transmitter, which is being constructed at Torrance, Cal., at a cost of more than a quarter of a million dollars, in conjunction with Columbia's new KNX Hollywood studios, will be in operation by late Summer or early Fall, according to A. B. Chamberlain, Columbia's Chief Engineer.

The transmitter project will include an antenna system consisting of a 490-foot uniform cross-section guyed vertical steel mast and a ground system of more than 120,000 feet of copper wire. A circular transmitter building to house the equipment will be built in modern design and so arranged that most of the operation will be visible to the public.

"The site, which is approximately fifteen miles southwest of Hollywood, was selected after months of search and is ideal for transmitting purposes", said Chamberlain, "not only from the point of view of the conductivity of the soil on which it stands, but also because of its position in regard to the populous areas of Southern California. Owing to the peculiar topography of the coast line near which it is situated, it will be possible to transmit to southernmost California chiefly over salt water, which is ideal for sending purposes.

"The combination of antennae and ground system, and the inclusion of all desirable features of transmitter design known to the art, including negative feed-back which reduces harmonic distortion and carrier hum to a minimum, will make the transmitter project one of the most efficient in the country."

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The East Ham District Society requests American radio catalogs to be sent for their library in care of Racio 2C3Q, 62 Bedford Road, Walthamstow E17, London, England. They inquire whether any U.S.A. Manufacturers of communication receivers, also tube manufacturers, could arrange for London representatives to give demonstrations of equipment for next season as these dates must be booked in advance.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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NATIONAL BROADCASTING CO., Inc.
LEGAL DEPARTMENT
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APR 16 1938
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No. 1117

FCC ACTION AND EXCESS VALUES HIT BY EXAMINER

The Federal Communications Commission came in for implied criticism and "trafficking in licenses" for a direct attack this week in an otherwise unimportant report by Examiner P. W. Seward on an application for authority to sell a station.

The applicant, J. Laurence Martin, sought to sell Station KRAQ, Sante Fe, New Mexico, to I. E. Lambert for $14,000 or $1,000 less than he paid for the station two years ago. The Examiner held that the inclusion of $5,500 as "going concern value" was improper and could not be sanctioned by the FCC without violating Section 301 of the Communications Act.

Yet the Examiner noted that the Commission had approved the previous sale of the station for $15,000 without holding a hearing and the present owner insisted that he paid $5,000 for going concern value when he bought the radio outlet. The original cost of all equipment is $6,594.28, which Examiner Seward said "is considered the going value of this station in successful operation."

Citing the language of the Communications Act and various court decisions supporting his opinion, Examiner Seward said:

"It would be a direct violation of the law to allow - in addition to the value of the properties as a business in operation - 'going concern value' as a separate item to be read into a balance sheet in an attempt to enhance the sale value of the station. To do so would permit the licensee to sell his right to use the frequency assigned by the license, or receive money for divesting himself of the license.

"The Congress established this Commission as a governmental agency to administer the Communications Act and to enforce provisions thereof. Whenever a liecnsee attempts to sell his radio station and transfer the license held by him for any amount of money in excess of the value of his station as a going concern, it appears necessary, under the Act, for this Commission to ascertain for what purpose this excess is being paid, and if it appears that such excess is being paid because the licensee is transferring his license to the purchaser of his station, or for any other purpose in violation of the Act, it becomes the duty of this Commission to prohibit such by refusing to give its consent in writing to the transfer.

"It is elementary that a business man does not ordinarily pay any amount of money unless he receives something in return therefor, and if the original cost and present value of the radio station here involved, exclusive of the item of $5,000 claimed as additional going concern value, is but $7,194.28, then for what purpose is the additional $6,805.72 being paid, if it be not as consideration for the transfer of the license from the Assignor to the Assignee. It appears futile to argue that this sum of money is being paid for any other purpose than the transfer of the license, which amounts to a trading and trafficking in radio frequencies, which is prohibited by the law.

"The fact that this Commission approved the sale of this station at some time in the past for $15,000 is not controlling or even persuasive as fixing the value of the station or that this application should be granted, as each must be determined upon the facts adduced in connection therewith."

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NBC HIT IN HOUSE FOR SAITO "PANAY" BROADCAST

An exchange of correspondence between Representative Phillips (D.), of Connecticut, and Frank M. Russell, Vice-President of the National Broadcasting Company in Washington, relative to the broadcast of a talk on the "Panay" bombing by Japanese Ambassador Saito, was inserted in the Congressional Record April 13th by Congressman Phillips.

"Mr. Speaker, this correspondence calls attention to a very serious situation", Representative Phillips said. "Shortly after the sinking of the 'Panay' the Japanese Ambassador addressed the people of the United States over the radio appealing, as it were, to the people of the United States over the heads, so to speak, of the President and the Secretary of State, and without that radio system getting in contact with either the President or the Secretary of State and getting permission for such broadcast.

"I think this is an outrageous situation which certainly would not be allowed in any European country, as affecting the Department of State there and one that I do not think should be allowed here. I believe you will agree that any radio station before permitting a foreing ambassador to address the people of the United States over the heads, as it were, of the Secretary of State and the President, should first have permission so to do from those high officials of the United States. I call the attention of the Members of the House to this correspondence of mine with an official of the National Broadcasting Co., bringing out these facts, which I think you will agree are reprehensible."

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FCC APPROVES ROOSEVELT DEAL AT LARGE PROFIT

The Federal Communications Commission this week approved the purchase of Station KFJZ, Fort Worth, Texas, by Mrs. Ruth Googins Roosevelt, wife of Elliott Roosevelt, second son of the President, and Manager of Hearst Radio, Inc., for $57,000.

While the FCC in its statement of facts and grounds for decision does not set forth clearly what it considers the present value of the station, its figures on investments indicate that Mrs. Roosevelt is paying a substantial amount for goodwill or "going concern value" despite the provisions of the Communications Act.

The balance sheet of the Forth Worth Broadcasters, Inc., former owner of the station, as of May 31, 1937, just before the Roosevelt offer was made, showed total assets of $46,845.49 and total liabilities of $12,863.69, the report states.

Among the assets listed is $8,623.03 as money invested by R. S. Bishop, President and Treasurer, "in building the station from a new to a going concern" and $13,397.60 "representing the estimated value of contracts which have been procured for the sale of time."

Bishop paid $31,500 for his stock in 1932 and since paid an additional $11,761 into the corporation's operating capital.

An inventory of the station property shows that the studio and technical equipment originally cost a total of $12,219.86, has a total depreciated value of $8,263.03 and a total replacement value of $11,480.01. All of the property owned by the licensee corporation, including technical equipment, furniture and fixtures, real estate and buildings, originally cost a total of $18,779.21, has a total depreciated value of $12,676.38 and a total replacement value of $18,730.01.

Pursuant to the granting of this application, Mrs. Roosevelt will own 313 shares of the stock, Mr. Roosevelt one share, and Mr. Harry Hutchinson one share. Mr. Roosevelt will be the President and Secretary-Treasurer of the corporation, and Mrs. Roosevelt will be the Vice-President. All of the proposed officers and stockholders are citizens of the United States.

Mrs. Roosevelt has assets in excess of $89,500, the FCC found, consisting of real estate, including a 1,500 acre ranch, live stock and other assets including cash. Mr. Roosevelt's annual income is in excess of $20,000 and one-half of this sum is available for the operation of the station. If

necessary, his entire income will be made available for this purpose. Over a 3-year period Mrs. Roosevelt, the proposed transferee, is prepared to invest the sum of $60,000, if necessary to insure the successful operation of the station.

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NAB BOARD TO CONSIDER REPORTS ON APRIL 30

The Board of Directors of the National Association of Broadcasters will decide on April 30 whether to go forward at once with plans for setting up an elaborate organization of administration or to postpone the expansion until the hiring of a permanent paid president.

Mark F. Ethridge, Acting President of the NAB, has called the meeting to hear reports of special committees set up the latter part of March. The Executive Committee will meet on April 29th and be prepared to make recommendations to the Board.

Under the original reorganization plan, the NAB would have Directors of Labor, Relations, Research, Engineering, Public Relations, Law and Education, as well as a permanent paid Secretary-Treasurer. The budget, including the President's salary, would run around $250,000 a year.

It is understood, however, some members of the Executive Committee believe that the NAB should move slowly and not establish a large headquarters staff until after the permanent president is chosen.

The Legislative Committee met at NAB headquarters on Saturday, April 9, to consider a number of legislative matters now pending in the Congress and the State Legislatures. The Committee formulated plans for presenting the views of the Association at the hearing to be held shortly on the Chavez-McAdoo bill by the subcommittee headed by Senator Bone of Washington. The Chavez-McAdoo bill provides for the establishment of a Government broadcasting station in California. The Committee also considered the Duffy Copyright Bill and decided to press for action upon the measure during the present session of Congress.

A meeting of the subcommittee of the Committee of Independent Non-network Broadcasters was held at NAB headquarters on Monday, April 11th, to study data received from stations interested in the negotiations with the American Federation of Musicians.

The NAB has accepted an invitation of the Radio Manufacturers' Association to meet with a special committee to discuss plans for closer cooperation between these two radio organizations. The committee will meet at New York on April 19th.

"Every effort is being made to speed up the establishment of essential services in the headquarters office and all Committees are taking an active part in the Association's affairs", a NAB statement said. "The membership is growing daily and the Association is now assured of having adequate revenue to commence putting into effect the reorganization proposals adopted at the February meeting."

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PAYNE BLASTS COLLEAGUES AS RESOLUTION LOSES

Commissioner George Henry Payne this week issued a broadside against his colleagues on the Federal Communications Commission, and particularly Paul A. Walker, after the FCC had rejected his resolution inviting a Congressional inquiry by a vote of 5 to 2.

The resolution (the text of which was carried in the previous news letter) proposed that the Commission notify the House Rules Committee that it would welcome an inquiry as urged in pending resolutions.

Only Commissioner T.A.M. Craven voted with Commissioner Payne, Chairman Frank R. McNinch and Commissioners Eugene O. Sykes, Thad H. Brown, Norman Case, and Walker voting in the negative.

Following the meeting both Commissioners Walker and Payne issued statements to the press explaining their points of view.

Commissioner Payne suggested that a rumored "leak" in the Walker report on the FCC telephone investigation was responsible for the February-March stock market slump and expressed surprise that Commissioner Walker would not want the matter investigated by Congress. He further charged that some members of the Commission are actively opposing a Congressional inquiry of radio and the FCC.

"Whether an investigation of a governmental agency created by Congress should be made, is wholly a matter for the judgment of the Congress itself", Commissioner Walker said in a formal statement. "This Commission should neither advocate nor oppose such investigation. If at any time the Congress should see fit to enter upon an investigation in which this Commission may be concerned or by whichit may be affected, this Commission

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should expect to offer every facility at its command in assisting in the active prosecution of such an investigation and in making immediately available all the facts pertaining thereto."

Chairman Walker's statement was concurred in by Chairman McNinch and Commissioners Sykes, Brown and Case.

Commissioner Payne's statement followed that of Mr. Walker's. He declared that "I am particularly amazed at Commissioner Walker's attitude in view of the fact that he formally called the attention of the Commission to a leak in the A. T. & T. investigation report.

Commissioner Walker's memorandum is understood to have been delivered to the Commission about March 21st. The A. T. & T. report was confidentially given each Commissioner in February.

"This leak, it would seem", Commissioner Payne continued, "was in part responsible for the fact that the A. T. & T. securities led the stock market downward during February and March, assisting in producing a crash that brought suffering to thousands and constituting a most disgraceful incident in the history of stock manipulation."

Commissioner Payne asserted that "I have been informed that during this period one block of 7,000 shares of A. T. & T. stock was offered at a half-point below the market. Under these circumstances, it appears to me that Commissioner Walker should have issued not an excuse for voting against the resolution, but a demand of Congress that there should be such an investigation."

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NEWSPAPER GIVEN FREQUENCY IN RIVAL APPLICATIONS

Continuing its new policy of friendliness toward newspaper applicants, the Federal Communications Commission this week granted the application of the Sharon Herald Broadcasting Co., Sharon, Pa., for a construction permit to operate on 780 kc. with 250 watts power daytime.

Simultaneously the FCC rejected the application of Allen T. Simmons, of Akron, O., for the same facilities.

The Commission said that the erection of the station in Ohio would cause interference with Stations WJR and WBBM. It stated, however, that "a need for local broadcast service exists in both communities but the need is greater at Sharon, Pa., than in Mansfield, O."

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CUT-RATE STATION PROPOSAL BLOCKED BY COMMISSION

The proposal of an applicant to offer cut rates for radio advertisers who have found the rates of two existing stations in San Diego, Calif., high was rejected by the Federal Communications Commission this week.

Denying the application of the Pacific Acceptance Corporation to erect a new broadcasting station at San Diego for operation daytime only on 1200 kc. woth 100 watts power, the Commission ruled:

"While the two regional stations now licensed to operate in San Diego are affiliated with chains, those stations now devote a considerable portion of their time to programs of local character and it is not shown that these facilities are not capable of rendering, or are not actually rendering, an adequate local service. The low rates that the applicant intends to effect would quite probably afford a radio-advertising outlet to commercial organizations that have found the higher rates of the two existing stations uneconomical. Where the existing facilities are adequate to meet the need for local program service, the mere desire of commercial organizations for a low rate transmitting service forradio-advertising does not by itself justify the granting of additional facilities."

The applicant proposed to sell program time to commercial advertisers at about $8 per hour and announcements of 75 to 100 words at $1 per announcement. The rate for program time is about one-third of the lowest rates fixed by KGB and KFSD in the rate schedules of those stations that were submitted in evidence. The applicant's proposed rate for 100-word announcements is about two-thirds of the lowest rates fixed by KGB, and less than one-half of the lowest rates fixed by KFSD.

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The Federal Communications Commission this week set for oral argument on April 28th at 10 A.M., the motions of The Western Union Telegraph Company and R.C.A.C., Inc., praying for permanent suspension of part (2) of the order of the Commission, Telegraph Division, of June 14, 1937, or for a reopening of the matter for further evidence, and the opposition of the Cable and Radio Users' Protective Committee to said motions. The Commission directed that said part (2) of the said order of the Commission, Telegraph Division, of June 14, 1937, be further suspended for a period of sixty days from May 12, 1938, (July 11, 1938).

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"TELEVISION TODAY" AS SEEN BY THE BRITISH

The British public has become "television conscious" and the television service of the British Broadcasting Corporation now offers "something for everybody", according to a resume of "Television Today" in the BBC's 1938 handbook just issued.

"What does the BBC television offer today?" asks the handbook, and then proceeds with the answer:

"The aim is 'something for everybody'. Approximately two and a half hours of 'live' material, as distinct from film, is available on home screens every week-day, as well as one hour on Sunday evenings. On week-day mornings there is an hour of demonstration films transmitted for trade purposes. The studio programs range from tap-dancing and the lightest type of variety act to grand opera and drama. They include illustrated talks, music, ballet, revue, art exhibitions, fashion parades and frequent appearances in person of people in the news. Current news-reels are shown daily, and Mickey Mouse and other cartoon films are frequently included.

"But studio and film transmissions are only half the story. In the Spring of 1937 a new field was opened up with the purchase by the BBC of a mobile television unit, constructed by the Marconi-E.M.I. Television Company, Ltd., which made television possible from practically any point within 20 miles or so of the transmitting station. Mobile television was gloriously inaugurated on Coronation Day. Despite bad weather conditions, the whole of the Coronation Procession was televised from Apsley Gate, Hyde Park Corner, and it is estimated that more than 10,000 people found an opportunity to see the picture on a television screen. Three Emitron cameras were used: two on the plinth gave general views of the procession, and a third, at pavement level, showed the procession in close-up with clear glimpses of the King and Queen.

"In the first year of its existence the mobile unit has added success to success, and the failures have been few. Viewers in their homes have watched at the moment of happening Wimbledon tennis, the Lord Mayor's Show, the Cenotaph Ceremony on Armistice Day, film-making at Pinewood, Denham and Elstree, Pets' Corner at the Zoo and an Omnibus Pageant at Chiswick.

When in central London, the mobile unit is linked to the transmitting station by a special television cable, installed by the Post Office, which conveys the pictures to the Alexandra Palace control room for re-transmission to viewers. Outside the central area the unit employs its own radio transmitter, the signals being picked up on a radio receiver at the television
sion and re-radiated.

"In addition to the outside broadcasts from the mobile unit, the television programs include what are known as 'local O.B.s' from Alexandra Park. In effect the Park, with its grassy slopes, woodland and lake, becomes an outdoor 'studio'. The studio cameras are taken into the open, but in all other respects these features are controlled and produced as indoor shows. The park 'studio' has made it possible to show model yacht-racing on the lake, sheep-dog trials, fire-fighting demonstrations, car parades, lessons in horse riding, archery and golf, and the Television Garden tended and described by C. H. Middleton.

"The viewer at home can watch these animated and changing scenes by operating two or three switches. The pictures are small (10 x 8 in.), but regular viewers know how satisfying such a picture can be when seen under home viewing conditions. It is nearly double the size of the full-plate photographs published in the illustrated weeklies; the definition at a distance of four or five feet leaves nothing to be desired, and, perhaps the most important point of all, there is no flicker. Add to this the fact that, owing to the use of ultra-short waves for transmission, the sound reproduction is, if anything, superior to that of ordinary broadcasting, and it will be realized that the owner of a television set is a person to be envied."

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TELEVISION TO BE INSTALLED IN THREE FRENCH STATIONS

Special cables which will make television available to three radio stations in the southwestern part of France is now in the process of construction, according to a report to the Department of Commerce from the office of the American Commercial Attache at Paris.

The cables which will join Paris to Bordeaux, passing by way of Limoges and branching off to Birve-Toulouse, will service three television screens which will be installed at Toulouse, Bordeaux, and Limoges, the report stated.

A frequency of four million cycles per second will be permitted by the cable which is to run underground, and telephone conversations, radio broadcasts, and television can be transmitted simultaneously over great distances, according to the report.

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The Crosley Radio Corporation, Cincinnati, has applied to the Federal Communications Commission for experimental authorization to operate a facsimile station via WLW from 12 midnight to 6 A.M. on 700 kc. with 50 kw. power, until August 1st.

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NBC ADVISORY COUNCIL HOLDS 11TH MEETING

"While there may be peace on earth in some parts of the world, there is war in the ether, over a large part of the globe", David Sarnoff, Chairman of the Board of the NBC, told the National Broadcasting Company Advisory Council at the eleventh meeting of the Council, held at Radio City this week.

Members of the Council met with NBC officials to discuss the problems and developments of radio. A part of the meeting was given over to a demonstration of television and facsimile transmission.

The Council, organizec virtually at the inception of the National Broadcasting Company, is composed of outstanding citizens who give NBC the benefit of their counsel on matters of policy.

Mr. Sarnoff's warning that there was "war in the ether" was made during a general discussion of recent developments in the field of international shortwave broadcasting, during which he commented on the political and other propaganda emanating from powerful radio stations in foreign countries.

The members of the Council also discussed the question of controversial subjects on the air, and endorsed the company's policy of permitting the discussion of such subjects only during sustaining program periods where the company affords opportunities for discussion by speakers on different sides of the question.

The Council also endorsed the company's policy which requires that a commercial sponsor who presents a controversial subject on his program must provide a similar opportunity to the opposition for reply during his sponsored time.

William Green, President of the American Federation of Labor, suggested that the NBC look into the possibility of providing vocational education over the air in order to give training to unemployed young men and women who may thus be better prepared for employment when the opportunity offers.

Mr. Sarnoff reviewed the status and progress of radio in our country as well as in other parts of the world and dwelt generally on the social significance of radio, including facsimile and television.

Following the luncheon, a demonstration of the operation of radio's latest developments in the fields of facsimile and television was made to the members of the Council, and Lenox Lorh, President of NBC, explained the technical, program and other problems connected with these developments. Among the subjects discussed at the Council meeting were supervision of programs generally, and educational programs in particular.

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THREE-DAY FETE TO MARK WMCA DEDICATION

Programs designed to represent the "cross-roads of the world" will feature the three day dedication ceremonies scheduled for the official opening of WMCA's new Broadway studios on Thursday, Friday and Saturday, April 21, 22 and 23rd. Arrangements have been concluded for the participation of personalities of the entertainment world, as well as business, political, sports, religious and royalty circles.

Postmaster General James A. Farley; former Mayor of New York City, James J. Walker, and President of Madison Square Garden, Col. John Reed Kilpatrick, will act as masters of ceremonies. Benediction and blessings of the new studios will be made by Most Reverend Stephen J. Donahue, Auxiliary Bishop of New York and Rabbi Stephen S. Wise of the Free Synagogue.

Salutes to the new studios, which occupy the block from 51st to 52nd Streets on Broadway, will come from Philadelphia, Washington, New England, Cincinnati, Hollywood and London. A United Airliner on a transcontinental trip will broadcast from the plane to WMCA. Another remote broadcast is scheduled from the "Queen Mary" two days out at sea. There will also be an "alumni" night presenting radio stars who got their start on WMCA and an "ASCAP" program with famous composers participating.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1118

April 19, 1938.

HAVANA TREATY HELD UP AS CAIRO MEETING ENDS

A broadening of the short-wave broadcast band was reported to be the major accomplishment of the International Telecommunications Conference just concluded at Cairo, Egypt, as the State Department and the Federal Communications Commission continued this week to hold up the Havana treaty covering allocations of broadcasting facilities on the North American continent.

Senator Wallace White (R.), of Maine, who was Chairman of the American delegation to Cairo, was back at the Capitol this week, but most of the United States delegates, including the technical experts were not due in Washington until the latter part of the month.

Senator White declined to discuss the specific allocations within the short-wave band until the return of the FCC technicians, but Broadcasting magazine reported that it had learned directly from Cairo that the following new channels have been added to the short-wave band:

6000-6200, 9500-9700, 17750-17850 and 21450-21750 kc. Other short-wave broadcast channel groups remain the same as under the Madrid Treaty. The effect of the widening is to make available 50 to 200 kc. space for additional channels in the enlarged bands. These will be available to countries in the regular routine of prior registration at the Berne Bureau of the International Telegraph Union.

European countries, in order to make provision for more local broadcast services, agreed to the use of channels between 1500 and 1560 kc. in some regions while in others the entire band from 1500-1600 kc. will be used on a shared basis with fixed and mobile services.

Agreement was reached at the conference on assignment of frequencies between 25,000 and 58,500 kc. as follows:

25,600-26,600, broadcasting; 26,600-27,500 fixed (U.S. reservation for broadcasting); 27,500-28,000, radio air soundings in Europe, and U. S. radio soundings fixed and mobile; 28,000-30,000, amateurs; above 30,000, regional in Americas - and in Europe; 30,000-32,000, low power stations; 32,000-32,500 maritime beacons; 32,500-40,000 aeronautics; 40,000-40,500, fixed and mobile; 40,500-58,500, television and low power stations.

Senator White said that the Cairo convention will not be ready to make a report to present to the Senate at this session. He expressed interest, however, in the delay in submitting the Havana treaty, which was drawn up last Fall, and in indicated he might try to dislodge the latter from the State Department.

Meanwhile, new rules and regulations drafted by FCC experts as a basis for reallocations are being held up until the Havana treaty is signed as the shake-up in American broadcasting cannot be effected until the treaty is agreed to.

While the State Department is officially silent on the reasons for the delay, it is understood that Chairman Frank R. McNinch is the key man whose word is awaited to release the document.

Rome was selected as the place for the next International Telecommunications Conference. Senator White said that the Cairo conference completed its task of nearly 10 weeks in "good order", greatly improved spectrum allocations, stiffened radio tolerance requirements and provided for inter-continental aviation, especially for Polar, North Atlantic, Pan American and Transpacific flights.

Sailing from Alexandria, Egypt, April 6th on the "Excambion", due in New York April 28th, were Rear Admiral S. C. Hooper, who had been placed in charge when Senator White departed, together with E. K. Jett, FCC Chief Engineer and a delegate, and most of the others who attended the Cairo parley. Left behind to clear up final details of American participation were Francis C. deWolf, of the State Department, a delegate; Lieut. Comdr. E. M. Webster, FCC engineer, and Gerald C. Gross, Chief of the FCC International Section. They were scheduled to leave Alexandria April 16 on the "Exorchorda". Comdr. Joseph R. Redmond, of the Navy, is staying abroad until May 12 on leave.

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PUBLISHERS TO CONSIDER BAN ON RADIO COLUMNS

With radio columns eliminated from the five Los Angeles newspapers last week, it was reported that a similar national policy will be considered by the American Newspaper Publishers' Association in New York April 26-29.

Radio columns were dropped from the five Los Angeles dailies although each paper continues to publish program logs. The decision was reached by publishers not only as a matter of economy but because they feel readers have little interest in the chatter items, according to Editor and Publisher. Under the new arrangement the log is supplied all papers by an outside agency with papers paying their pro rata share of the expense. Papers involved are the Times, Examiner, Herald and Express, Daily News and Evening News.

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BASEBALL BROADCASTS BECOME BIG-TIME BUSINESS

With the opening of the big league baseball season this week, the radio spotlight was thrown on the growth of baseball broadcasts within the last few years to a big-time business in which sponsors will spend more than $1,500,000.

Fans who depend upon their radios to follow the great American game, however, will have to take their amusement along with frequent announcements on "Wheaties", gasoline, automobile tires, soap and a variety of other products.

All told more than 100 broadcasting stations will carry the big league baseball games to arm-chair fans, while scores of smaller stations will broadcast contests in the minor leagues.

So large has the business of baseball broadcasting become that a conference was held last week in Chicago of more than 100 baseball announcers along with representatives of organized baseball and the five major sponsors.

General Mills, of Minneapolis, pioneer in promoting baseball broadcasting on a national scale, plans to spend more than a million dollars alone on radio coverage of the big league diamonds this season. It has lined up 75 stations to carry the broadcasts. In a number of cities, however, it will share sponsorship with other advertisers.

Socony-Vacuum Oil Co., New York, has doubled its appropriation this year for baseball sponsorship. It will share credit with General Mills on 26 stations and broadcast along on 19 others this season.

B. F. Goodrich Rubber Co., Akron, O., will share sponsorship with General Mills on 20 stations, while Proctor & Gamble, Cincinnati, will enter the business for this first time this season with joint sponsorship with General Mills in two cities.

Other advertisers that will join with General Mills in scattered broadcasts are: Atlantic Refining Co., Philadelphia; Coca Cola Distributing Co., Dallas; Standard Oil Company of Kentucky, and William Simmons Brewing Co., Buffalo, N. Y.

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Greece has made its entry into the world of broadcasting, and now transmits daily on a wavelength of 499.2 m. from the 15 KW station in Athens. This station, which is to serve temporarily, pending the erection of a permanent 100 KW transmitter, was inaugurated on the occasion of the National Holiday on March 25th, when King George of Greece broadcast an address to the nation.

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FLORIDA MAKES BID FOR PAN AMERICAN STATION

While Congress appears in no hurry to authorize construction of a Government-owned Pan American short-wave station, individual members are using the proposal as a means of promoting their own districts.

Representative Green (D.), of Florida, this week introduced a bill in the House to establish the station in Florida. His proposal obviously was inspired by the move in the Senate to have the station built in California.

Although the House Naval Affairs Committee shows little indication of holding a hearing on the Celler Bill to establish a Pan American station in Washington in accordance with the original agreement at Montevideo, Senators McAdoo (D.), of California, and Chavez (D.), of New Mexico, have been promised a hearing by the Senate Naval Affairs Committee sometime in May.

Senator Bone (D.), of Washington, has been named Chairman of a sub-committee to conduct the Senate inquiry.

The reorganized National Association of Broadcasters meanwhile is preparing to oppose the bill and similar proposals on the ground that it would be the first step toward government operation of broadcasting stations in this country.

John J. Kennedy, of Charlestown, W. Va.,is Chairman of the NAB Legislative Committee.

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OHIO U. OFFERS TEN RADIO COURSES

Ohio State University, Columbus, O., is offering ten courses in radio, six departments cooperating under the direction of a radio education committee appointed by President George W. Rightmire. The departments of Business Organization, Education, Electrical Engineering, Journalism, Music and Speech give courses for students interested in instruction for broadcasting service.

Included among the courses are the following typical ones: radio advertising, radio in education, radio management and program direction, radio broadcasting problems, advanced theoretical study of electrical engineering practice and equipment; writing for the radio, music in radio broadcasting, and radio speaking.

Students in many of these classes aid in producing programs which are broadcast from WOSU, the University radio station.

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FCC CHIEF ENGINEER'S DUTIES ARE INCREASED

Relieving itself of further minor details of administration, the Federal Communications Commission has increased the duties and authority of its Chief Engineer in technical matters associated with station operations.

An amendment to Order 28, paragraph 2, broadens the powers of the Chief Engineer to cover the following:

"(r) Extensions of time within which to comply with technical requirements specified in authorizations, orders and rules or releases of the Commission.

"(s) Changes in equipment necessary to comply with technical requirements specified in authorizations, orders, rules or releases (except formal applications).

"(t) Representations of compliance with technical requirements specified in authorizations, orders, rules or releases (except formal applications).

"(u) Operation with licensed, new or modified equipment at a temporary location with a temporary antenna system in case of an emergency when, due to causes beyond the control of the licensee, it becomes impossible to continue operating at the licensed location."

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ANGELL HEADS SPEAKERS OF RADIO INSTITUTE

Dr. James R. Angell, educational counselor for the National Broadcasting Company, will be the dinner speaker at Ohio State University's ninth annual Institute for Education by Radio, May 2-4, in Columbus, Ohio. Dr. Angell, former President of Yale University, will talk on "The Puzzling Perplexity That Is Radio", the night of May 3rd.

The institute will bring together broadcasters and educators for discussion of mutual problems in the techniques of education by radio. Dr. W. W. Charters and I. Keith Tyler, both of Ohio State's Bureau of Educational Research, are Director and Secretary, respectively, of the Institute.

A major part of the three-day program will be devoted to work study groups, with the following subjects and leaders:

Agricultural broadcasts - Wallace Kadderly, Acting Chief of Radio Service, U. S. Department of Agriculture.

School broadcasts - Paul T. Rankin, Supervising Director of Research and Informational Service, Detroit Public Schools.

Radio courses in universities - Cline M. Koon, New York City.

Research in radio education - Frank N. Stanton, Manager of Market Research Division, Columbia Broadcasting System.

Technical radio developments - J. H. Dellinger, Chief of Radio Section, U. S. Bureau of Standards.

Broadcasts for general education - Sterling Fisher, Director of Radio Talks and Education, Columbia Broadcasting System.

These work-study groups will be held on the afternoons of both May 2 and 3.

At the opening morning session of May 2, Professor Boyd H. Bode, Ohio State University, will discuss "A Fundamental Need of General Education". A panel discussion, "How Radio Can Serve This Need", will follow, with these participants:

E. M. Kirby, Educational Director, Station WSM, Nashville; Harold B. McCarty, Program Director, Station WHA, University of Wisconsin; Allen Miller, Director, University Broadcasting Council, Chicago; Julius F. Seebach, Jr., Program Director, Mutual Broadcasting System; Judith Waller, Educational Director, Central Division, National Broadcasting Company; Byron B. Williams, Program Director, Station WOSU, Ohio State University.

Four sections on special problems are planned the evening of May 2nd. One will be a closed meeting of the National Association of Educational Broadcasters, President Carl Menzer presiding. Other conferences that evening with their leaders are: "Educational Broadcasts by Commercial Stations", Judith Waller, NBC; "Educational Broadcasts by Adult Organizations", Ned H. Dearborn, Dean, Division of General Education, New York University; "Utilization of School Broadcasts", Paul Reed, Supervisor of Visual and Radio Education, Rochester Public Schools.

Following Dr. Angell's address at the dinner meeting May 3rd, the following round table discussions will be conducted:

"Listener Participation", Joseph Ries, Educational Director, Station WLW, Cincinnati.

"Dramatic Programs", Philip Cohen, New York University Workshop.

"Music Programs", Ernest La Prade, Director of Music Research, National Broadcasting Company.

"Science Programs", Harry A. Carpenter, Specialist in Science, Rochester Public Schools.

"Discussion Programs", Alice Keliher, Chairman of Commission on Human Relations, Progressive Education Association.

"Handling Controversial Issues", Frederic A. Willis, Assistant to the President, Columbia Broadcasting System.

"Training and Selection of College Faculty Members for Broadcasting", Robert J. Coleman, Program Director, Station WKAR, Michigan State College.

"The Radio Workshop", B. H. Darrow, Educational Director, Station WBEN, Buffalo.

Franklin Dunham, Educational Director for the National Broadcasting Company will lead the morning session May 4th, devoted to "Planning for the Listener". An international contribution will come in the talk on "Planning Broadcasts for Women in Great Britain", by Elise Sprott, British Broadcasting Corporation. Other talks that morning: "Planning International Broadcasts", Cesar Saerchinger, National Broadcasting Company, and "Informing the Listener", Robert Stephan, Radio Editor, Cleveland Plain Dealer.

H. V. Kaltenborn, news commentator for the Columbia Broadcasting System, will preside at the closing session the afternoon of May 4th, devoted to a demonstration and discussion of awards for the Institute's second exhibition of recordings of educational radio programs.

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TRADE NOTES

The Federal Communications Commission this week scheduled an informal conference for April 21st between its Engineer and Law Departments and a Committee of ship owners with reference to paragraph 12 (c) of the ship safety rules.

An address on "Radio for Newspapers" and a "clinical discussion" of radio are on the program of the National Newspaper Promotion Association April 24-28 at the Waldorf-Astoria Hotel in New York City.

R.C.A. Communications, Inc. this week reported a February gross income of $362,031 as compared with $410,862 in the corresponding month of 1937. The comparative net incomes are $14,484 and $88,873.

The contract of International News Service was upheld in Los Angeles Superior Court in a decision handed down last week by Judge Thomas C. Gould in a suit against Radio Station KMTR, Beverly Hills, Cal. INS instituted the suit to recover on an alleged breach of contract and sought $1,260 as the balance due for service rendered and also the sum of $2,361.86 in damages. Judge Gould ordered a judgment entered against the radio station for both amounts in full.

David Sarnoff, President of the Radio Corporation of America, will head a distinguished list of speakers who will discuss the general subject of "Democracy and American Ideals" over the NBC-Blue Network on Thursday, April 28, from 1:00 to 2:00 P.M.,EST. The RCA President has chosen as his subject, "The American System of Broadcasting".

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CUT-RATE SALES OF RADIOS IN N.Y. ARE UPHELD

Paving the way for a continuation of the price war in radio set sales in New York, the State Supreme Court refused an application for an injunction to restrain dealers from selling radios at cut rates in violation of the Feld-Crawford Fair Trade Act.

Justice Mortimer B. Patterson ruled that the State law had collapsed and that retail dealers no longer have to sell radio equipment at the prices fixed by the manufacturers.



The Court denied an application by Ray Kline and Jack Cooper, independent retailers, for a temporary injunction to restrain the Davega CityRadio Corporation and the Vim Radio and Sporting Goods Stores Corporation from selling at cut prices in their White Plains branches. Violation of the State act and of contractual agreements were alleged.

"Efforts to enforce the Feld-Crawford Act, as applied to the sale of radios, has failed utterly and the industry is in a wholly chaotic and demoralized condition", the Justice wrote. "Observance of the (price) contracts seems to be the rare exception. There are many causes for this.

"The manufacturers or distributors themselves are largely to blame, notwithstanding that the primary aim of the law was to protect the good-will of the producers; the general economic conditions; the depressed market for radios and the advent of new models, rendering the old and out-moded unmarketable at anywhere near the prices as fixed have all contributed to this condition.

"The very contracts upon which the plaintiffs predicate this action permit discounts from list prices under the guise of so-called trade-in allowances. This opens the door wide to the greatest abuses and has resulted in a condition where the law is of little, if any, value for the protection of the retailer.

"Then, too, the manufacturer has contributed to the present condition by greatly reducing the cost price to the retailer without in turn reducing the price for which the retailer can sell. Manufacturers have made reductions up to 30 percent in the wholesale price of radios to dealers, but did not take the trouble to reduce the fictitious retail prices prescribed by their contracts."

Remarking that the plaintiffs also had sold at cut prices and were in court with "unclean hands", Justice Patterson continued:

"It would seem that the collapse of the retail radio price structure and the general disregard of all list prices since the promulgation of the contracts in question has made selling at competitive levels an economic necessity.

"Were the injunction granted, it could afford no appreciable relief to the plaintiffs, as it would mean merely the elimination of a couple of competitors in a field in which it is represented there are 5,000 radio dealers who are competing with the plaintiffs and defendants."

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THEME SONG WRITTEN FOR WMCA DEDICATION

The schedule of evening ceremonies for the three-day dedication of the new studios of WMCA, New York, to be given Thursday, Friday, and Saturday of this week, includes a theme song entitled "At The Top of the Dial", written especially for the occasion by Nat Brusiloff. The complete program covers a two-hour period on each of the three nights.

Greetings by Donald Flamm, President of WMCA, at 9:40 P.M., EST, Thursday, will be followed by an address by Postmaster General James A. Farley.

Among other speakers on the program during the three-day dedicatory ceremonies are: John J. Bennett, New York Attorney General; Governor George H. Earle, from Philadelphia; David Sarnoff, President of the Radio Corporation of America; Alfred J. McCosker, President of WOR; Thad H. Brown, Federal Communications Commissioner; James J. Walker, former Mayor of New York; Representative Bruce Barton (R.), of New York; Harold G. Hoffman, former Governor of New Jersey; Senator Royal S. Copeland (D.), of New York; and Grover Whalen, of New York.

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MARCH RADIO SALES BELOW LAST YEAR

Reports from dealers on sales of radio sets during March show that 18 percent fewer units were sold in the country at large than during the same period of 1937, according to Radio Retailing, monthly business barometer, which stands at 82, compared with a year ago taken as 100. In many cities, however, particularly those of smaller size, dealers were able to produce increases in both unit and dollar sales by staging special sales or taking advantage of special offerings from manufacturers.

Reports from the Far Western and Southern States, although incomplete, indicate that sales there were well above the national average, and in some districts above the March, 1937, unit sales. Similarly, reports from Pennsylvania, Iowa, the New England States, compared in many cases favorably with last year.

Declines were larges in industrial towns and cities or in districts where Government spending has been stopped or drastically reduced. In suburban areas affected by big-city bargain sales, dealers appear divided into two classes: the ones who cleared their stocks through bargain sales and the ones who sat tight. Inventories are lower than a year ago, with fewer sets in dealer stocks for the country at large.

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NBC SETS REGULAR TELEVISION SCHEDULE

The first public announcement of a schedule of RCA high definition television broadcasts for the New York City area was made this week when the Radio Corporation of America and the National Broadcasting Company revealed plans for a four-week period of experimental transmissions from Station W2XBS in the Empire State tower. The schedule of five full hour broadcasts a week will begin April 19.

In resuming field tests after being off the air for several months, NBC will radiate two series of broadcasts, one to be given at an afternoon hour and the other during the evening. Living talent shows and selected films are to be broadcast from the NBC studios in Radio City on Tuesday and Thursday evenings between eight o'clock and nine o'clock. The live entertainment will include dramatic productions adapted for television, a variety of educational features and at least one musical show. News reels and educational films also will be used in this series. These television programs, although strictly experimental, will be broadcast under conditions as near as possible to those governing a regular public service.

Afternoon broadcasts, on Tuesdays, Wednesdays and Thursdays beginning at three o'clock, will consist entirely of intricate test charts and still pictures. Of no entertainment value but of great assistance in judging quality of transmitted pictures and testing performance of receivers, these images are to be put on the air for the sole benefit of television experimenters.

The announced series of television broadcasts is primarily for the use of NBC and RCA officials and engineers with receivers in their homes. Amateurs in the Metropolitan area, however, who are building, or have built, receivers will also be able to look in on the telecasts and judge the success of their efforts.

A triple purpose is to be served by the forthcoming television broadcasts. The W2XBS transmitter has been off the air for several months during a period of extensive engineering redesign. Several important changes have been made in the system of transmission and the twenty hours on the air will give RCA and NBC engineers a chance to observe the results of their work.

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MAGNETIC STORM SLIGHT, RADIO MEN SAY

The magnetic storm which began early Friday was viewed by New York radio men not as a major disturbance but one of ordinary proportions, contrary to reports that the storm was one of the most severe of the twentieth century, according to the New York Times. Representatives of the Radiomarine Corporation, Western Union and American Telephone and Telegraph Company said that traffic between America and Europe, and over the land wires of the country, wnet on much as usual. The transoceanic radio men revealed that the storm had caused a few shifts in short-wave lengths, away from channels that were most disturbed to ones less affected, but traffic was not tied up.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1119

NATIONAL BROADCASTING CO., Inc.
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TWO PRESS STATIONS APPROVED; OTHERS ON THE WAY

Pursuing its recently adopted policy of no discrimination toward newspaper applicants for broadcasting facilities, the Federal Communications Commission this week approved two requests for new stations which will be operated by publishers and granted a power increase to a third press applicant.

The applicants and the facilities allocated are:

Northwestern Publishing Co., of Danville, Ill., which publishes the only local newspaper in Danville; 1500 kc., 250 watts power, daytime.

The Champaign News-Gazette, Inc., which operates WDWS, Champaign, Ill., was allowed a power and time increase from 100 watts daytime to 250 watts, unlimited hours, on 1370 kc.

William F. Maag, Jr., General Manager of the Youngstown Vindicator, Youngstown, O.; 1420 kc., 100 watts, daytime.

The Danville station, incidentally, will be owned by the Gannett Company, of which Frank E. Gannett, one of the severest critics of President Roosevelt, is President.

Simultaneously, Examiner Tyler Berry recommended that the application of Harry M. Ayres, the owner of the Consolidated Publishing Co., of Anniston, Ala., for a construction permit be granted. The application is for 1420 kc., with 100 watts power daytime. The applicant publishes the Anniston Star, a daily newspaper.

The grants this week are the first since the Communications Commission reversed its attitude with respect to newspaper-owned stations and approved the sale of Station WHBC, Canton, O., to the Canton Repository, a Brush-Moore synidcate property. Other favorable grants are expected, however, and the number of newspaper-controlled stations, now approximately 200, is likely to grow by leaps and bounds within the year.

The granting of the Danville application also modifies the policy announced by Chairman Frank R. McNinch several months ago in that it permits the newspaper to have a monopoly on news dissemination in thw town of 36,765. The Northwestern Publishing Company publishes the only local newspaper in Danville and it will operate the only radio station.

Chairman McNinch's statement, made in connection with the rejection of the application of Station WSMB, New Orleans, for a second outlet, was directed specifically at the control of more than one radio station by a licensee. The implication, however, was that the FCC wished to guard against any local monopoly.

Senator Wheeler (D.), of Montana, some months ago frequently assailed what he called a monopoly in news dissemination and promised to sponsor legislation divorcing newspapers and radio stations. Since he has been so widely acclaimed by newspapers for his stand on the Supreme Court reform bill and the President's Government Reorganization proposal, however, he has had nothing more to say about the matter.

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RADIO COMPETITION DEMANDED IN HOUSE BILL

An amendment to the Communications Act which would force the Federal Communications Commission to consider competition in foreign radio telegraph communication to be in the public interest was proposed in the House this week by Representative Sadowski (D.), of Michigan.

Apparently an answer to the ruling of the United States Court of Appeals of the District of Columbia in the Mackay-Radio Corporation of America case, the measure reads:

"It is hereby declared to be the intention and policy of the Congress to prevent monopoly and to encourage competition in direct foreign radio telegraph communication and, for the purpose of this act, in considering applications for licenses to engage in direct foreign radio telegraph communication, or applications for modifications or renewals of such licenses, the FCC shall consider competition in such communication to be in the public interest."

The Mackay Radio & Telegraph Company has been trying unsuccessfully for some time to obtain FCC permission to establish radio communication points on foreign capitals now served by R.C.A. Communications, Inc.

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During February there was a net increase of 25,247 in the number of radio receiving licenses in Great Britain, according to the U. S. Commerce Department. The approximate total number of licenses in force at the end of February was 8,563,200 compared with 8,086,300 one year earlier or an increase of 476,900 during the 12 months.

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FCC TESTING TWO-WAY LOUD SPEAKER COMMUNICATION

The Federal Communications Commission disclosed this week that it has been making tests of apparatus recently put on the market to provide two-way loud speaker communication by employing radio frequency currents.

"Numerous inquiries have been received as to whether the Commission has issued any ruling concerning devices of this nature", the FCC explained. "Investigation of one sample of such equipment indicates that under some circumstances it may produce serious interference to radio communication services. However, if correctly designed filters are installed and are in proper operation, it appears that the possibilities of interference to radio-communication will be reduced to a minimum.

"The Commission will be glad to test samples of such equipment if sent to its offices in Washington, D. C., to determine whether such equipment when properly installed and operated would be capable of causing objectionable interference.

"It will be appreciated if manufacturers of this class of equipment will cooperate by installing adequate filtering in their apparatus. The Commission will be glad to furnish an opinion as to the type of filter which may be used for the practical elimination from the device of interference potentialities.

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"WILLARD HOTEL CASE" APPLICANT LOSES

Despite a reorganization and a change in its name, an applicant for a new radio station in Schenectady, N. Y., involved in the famed "Willard Hotel Case" in 1935, was again given an adverse report this week by Examiner Melvin H. Dalberg.

The first application, in which rumors of attempted brigery were alleged, was made under the name of the Knox Broadcasting Corporation. The more recent request came under the name of the Tri-City Broadcasting Co. Facilities requested are 950 kc., 1 KW power, unlimited time.

Without referring to the "Willard Hotel Case", the Examiner found that the operation of the station would be interferred with by WRC, of Washington, and CRCK, Charlesbourg, Quebec, Canada.

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62 PARTICIPANTS IN SUPER-POWER HEARING

The Federal Communications Commission has been notified that 62 applicants want to be heard in connection with super-power hearings now scheduled for May 16th.

Included in the 62 notices of intention to appear, however, were two requests for postponement of the hearing, filed on behalf of the National Broadcasting Co., and by Louis D. Caldwell, attorney, on behalf of 12 stations.

Both requests asked for an extension of the hearing date for a period not less than 30 days, declaring there had not been sufficient time between the notice of the hearing mailed out by the Commission on April 4th and the date of the hearing to collect sufficient information to be presented on behalf of the broadcasters.

The applicants for extension said certain information considered necessary for use at the hearing and now being collected by the Commission will not be available until just before the hearing and possibly later. They referred to the Commission's investigation on chain broadcasting and monopoly in the broadcasting industry.

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EUROPEAN RADIO PATENT POOL LOSES SUIT

The European Patent Pool, represented by Philips Gloeilampen Fabriek, has just lost another suit for patent infringement, this time against the Luxor Radio Company, Motala, Sweden, the American Commercial Attache at Stockholm reports. This decision represents another loss for the Patent Pool in a long series of court reverses during the past two years.

The suit originally involved alleged infringement of five different Swedish patents covering various radio improvements for which the Patent Pool claimed the sole rights for Sweden. In the course of the litigation Philips withdrew one of the patents from the suit and conceded any damages on the remaining four. The court found for the defendant and ordered the plaintiff to pay the defendant's costs, 22,000 crowns (present rate of exchange: 3.87½ Swedish crowns to $1.00 U. S. currency).

The Luxor Radio Company assembles its sets from parts almost entirely of American origin.

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A. T. & T. STOCKHOLDERS RAP ONE-MAN FCC REPORT

Stockholders of the American Telephone & Telegraph Company, meeting in New York in annual session this week, gave full approval of the policies of the management and denounced the proposed reorganization and rate slash proposed by Paul A. Walker in the "proposed" FCC report to Congress.

The stockholders, who collected quarterly dividends at the rate of $9 per share a year, applauded Walter S. Gifford, President of the A. T. & T., when he assailed the Walker report and the FCC investigation as one "not of impartial investigators but of partisans and prosecutors". He contended the information assembled was neither accurate nor comprehensive.

The stockholders were told by Mr. Gifford that if telephone rates were cut 25 percent, as suggested by Mr. Walker, "there would be practically no earnings".

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RADIO-DRIVEN AUTOS SEEN BY TRAFFIC ENGINEER

The automobile of the near future may draw its electrical motive power from radio waves, William A. Van Duzer, Washington Traffic Director, told the Greater New York Safety Council this week.

"Think of the advantage of never running out of gasoline, and no frozen radiators", he observed in picturing electric motor vehicles operated indirectly by water power. "This development is no greater than the rise from the horse and buggy to the present automobile."

Such strides had been made in the last thirty years in radio and transmission of electricity without wires that it was only another step to vehicles with electric motors, the energy for which would be transmitted by ethereal waves, he said.

"I believe it is possible, by the use of photo-electric cells, to prevent motor vehicles from running through red lights or stop signs", he added. "It may also be possible, by similar method, to control the speed, to coordinate the movement of vehicles on a street where the traffic lights are arranged for progressive control, and to warn drivers when they cross or get too close to the center line on hill crests."

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FCC PAVES WAY FOR SALE OF WMAL

Purchase by The Evening Star Newspaper Co., of Washington, D. C., of Station WMAL was assured this week when the Federal Communications Commission handed down a decision declaring that upon the facts, the Commission has no jurisdiction over the purchase by the Evening Star Company of the control of the M. A. Leese Corporation., owners of the station, from the heirs of the M. A. Leese estate. The terms have not been disclosed.

Under a contract entered into between The Star company and the Leese heirs, it is stipulated that if the Communications Commission interposed no objection or made no ruling forbidding the sale, The Star company would purchase the station within ten days after the Communications Commission had made known its findings. The Commission having rendered such findings, the terms of the purchase contract will be carried out.

Station WMAL is now operated by the National Broadcasting Company under an operating lease from the M. A. Leese Radio Corporation. This operating lease, it was said, is not affected under the purchase contract. The lease expires February 1, 1941.

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RADIO CLERGYMEN TO HOLD CONFERENCE

"Many of our pastors are using the modern, swift means of radio communication to tell the world of the death and resurrection of Jesus Christ - before it is too late", Herman H. Hohenstein, Chairman of the Lutheran Synodical Radio Conference, announces. "For their mutual encouragement, a radio meeting, known as the Synodical Radio Conference, will be held Thursday, June 16, 7:30 P.M. in connection with Delegate Synod, at St. Louis. This fourth triennial radio conference will be composed of one representative from each of the present broadcasting units, and one representative from each of the Synodical Districts in North America. Not only broadcasting pastors and teachers, but also laymen interested in broadcasting are heartily invited to attend these meetings.

"The purpose of the organization is to promote the preaching of the Gospel by means of radio. Inasmuch as the broadcasting pastors in various parts of the United States preach the precious Gospel of the grace of God to millions of persons, the deliberations of the Synodical Radio Conference will be of great importance."

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UNIQUE CARD MAKES TIME DIFFERENCES EASY

A unique and useful "Time Finder" has been developed by the National Broadcasting Company to simplify the task of comparing times in various parts of the country with Eastern Daylight Saving Time in New York.

E.P.H. James, NBC Promotion Manager, in explaining the card, said:

"You remember that popular song 'When It's Night Time in Italy, It's Wednesday Over Here?'

"It might be the theme song for Daylight Saving in the broadcasting world! Network schedules are usually quoted in New York Time, and it's anybody's guess when your program is heard in Little Rock, Ark., Charlotte, N. C., or Portland, Ore. Up to now, you've just had to figure it out for yourself, and we know by experience that it can be very confusing at times.

"We puzzled a lot over ways and means of simplifying this problem, and did a little inventing in our spare time. The enclosed Time Finder (which was sent) is the result."

Directions for using the card, as given by Mr. James are:

"Just slide the card up so that the name of the city in which you are interested is just underneath the words 'New York City' on the celluloid envelope - and you will find all the local times in that city in the slot at the right, under the corresponding New York times."

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TWO NEW STATIONS RECOMMENDED BY FCC EXAMINERS

Construction permits for the erection of new broadcasting stations in Mobile, Ala., and Vernon, Tex., were recommended to the Federal Communications Commission this week by Examiners.

Applicants are: S. B. Quigley, of Mobile, who asked for 1200 kc. with 100 watts power, daytime, and Northwestern Broadcasting Co., of Vernon, which requested 1500 kc., 100 watts power, unlimited time.

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CAPITAL POLICE STATION GETS FAN MAIL

The law's voice can reach almost as far as the law's long arm - if the National Capital's Station WPDW fan mail means anything.

For example, in Agnew Road, Forest Hill, London, England, a British amateur sits at his short-wave receiver, hearing, as plainly as if it came from his own neighborhood, the broadcast:

"Look out for and arrest light-skinned colored man, squint in left eye, walks with a limp, 5 feet 10 inches, etc. . . Wanted for purse-snatching at Seventh Street and Pennsylvania Avenue, N.W. That is all."

The amateur jots down the message, the time and the wave band at which it was received. He writes to the Police Department's broadcasting station in Washington to verify it for several reasons - to prove the efficiency of his own receiver, to collect a bit of data on long-range transmission, or to satisfy his own curiosity.

The Washington police station has received several such communications from England, and many others from remote sections of the United States and Canada. A man from Burlington, Vt., wrote to ask if the department was still holding those "two purse-snatchers at Fourteenth and P Streets", and another in Leithbridge, Alberta, wanted to know if the police caught those "prowlers" at Sixteenth Street and Columbia Road, N.W.

Lt. James L. Kelly and his staff of assistants answer as many of the communications as possible - for they are enthusiasts themselves, men with a hobby as well as a vocation, who put in the regulation hours and don't count overtime spent in pursuit of a calling which fascinates them.

The announcers, or "dispatchers", sometimes receive calls of a personal nature, although there are no crooners among them. The other night a girl telephoned the station and asked to speak to "that handsome man up there."

"What handsome man?" she was asked.

"The one who's broadcasting - I like his voice."

It seems that police broadcasting stations have their regular fans - radio listeners outside the utility circle of scout cars and cruisers, motorcycles, police boats and Fire Department cars.

A policeman wrote from Norfolk that he listened to many broadcasts, and added, "I'd rather hear your station than any I know."

Installed in January, 1931, the station recently added equipment linking it to the system of Maryland State Police, which connects with Pennsylvania and Delaware systems.

Thus a message reporting the theft of an automobile here, for example, will be picked up by Maryland police and rebroadcast. A few minutes after the lookout goes on the air here, it is repeated back, sometimes as often as nine times, in the big receiver at the local station which is tuned in on Maryland.

Broadcasters accustomed to swift results in their war on crime are still a bit surprised by the fan mail which drifts in from the far places. After all, the fact that small boys have broken a window on P Street, or a dead cat has been reported in an alley at rear of _____ I Street should be of purely local interest. It seems incredible when these occurrences are heard around the world.

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PATENT MAKES RADIO WAVE CONVERSION EASY

A United States patent covering an electronic device said to be capable of almost directly converting any form of electric power into any other form, or of "manufacturing" radio waves from light socket current with a minimum of other apparatus requirements has been given by Dr. Sydney N. Baruch, New York research engineer, according to the New York Times.

Constructed as a metal or glass bulb, with several internal electrodes and elements, this tube is said to convert alternating into direct current, or vice versa, or to create from a source of electric power of any type electric pulsations of any desired number per second.

The device appears to act as a kind of universal key to anything that is wanted in the line of electric or radio power when the correct controlling features are provided, the inventor says. Dr. Baruch asserted that his patent, No. 2,113, 392 of April 5, 1938, issue, covers these control features.

Employed as a part of a broadcasting station, Dr. Baruch maintains, that "about 75 per cent of the apparatus normally found necessary to generate the waves is unnecessary and may be discarded" when this device is used.

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HUGE LOUDSPEAKERS TO CARRY HITLER'S SPEECHES

In order to enable all Germans to listen to the Fuehrer's speeches, it has been decided to erect 6,000 "Reich Loudspeaker-Pillars" (Reichslautsprechersaeulen) in the larger German cities, according to the U. S. Commercial Attache at Berlin. A smaller type of public loudspeaker has been developed for towns and villages. The local radio commissioners of the Nazi Party will be responsible for the erection and operation of these loudspeakers on the spot.

The bigger type is an illuminated sexangular pillar which can also be used for advertising. It will be leased out to restaurants and cafes and will thus, as the official statement puts it, "contribute toward increasing their turnover". It is stressed, however, that as the number of these pillars will be limited to 6,000 for all of Germany, they will not compete with other advertising media. Although the statement itself is reticent in this respect, the obvious implication is that the revenue from the lease of these advertising loudspeakers will flow into the treasury of the Nazi Party and possibly provide the necessary funds for their manufacture.

The smaller type is a pillar in "mushroom" form which does not carry any advertising. It is to be used in small towns and villages and is intended to carry the Fuehrer's voice even to the remotest corners of Germany.

A special six-year plan has been evolved for the completion of the scheme. A special company controlled by the Party - the "Reichs-Lautsprechersaeulen-Treuhand G.m.b.H." - is in charge of the execution of this project.

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Alfred J. McCosker, President of WOR and Chairman of the Board of the Mutual Broadcasting System; William S. Paley, President of the Columbia Broadcasting System, and David Sarnoff, President of the Radio Corporation of America and Chairman of the Board of the National Broadcasting Company, on May 4th will address the Women's National Radio Committee luncheon on the St. Regis Roof.

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CBS PLANS UNIQUE EDUCATIONAL SERIES

The recently announced plans of the Columbia Broadcasting System's Adult Education Board, embodying a new concept of learning through the medium of radio, have reached fruition in three separate series of unique character and scope, "Americans at Work", "Adventures in Science", and "Living History", the first of which is to be launched over the nationwide Columbia network Thursday, April 28th.

"Americans at Work", designed to give the radio audience a comprehensive and engrossing picture of the nation in all fields of endeavor, will be given on the opening date from 9:30 to 10:00 P.M., EST, and each Thursday thereafter at the same time. The subject of the first dramatization is "Sandhog", an enlightening and entertaining exposition on the men who dig our tunnels.

"Living History" and "Adventures in Science" will be given in quarter-hour periods shortly thereafter. Each of these will have a commentator distinguished in his field to give authoritative interpretations.

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According to press reports, the Societa Marelli of Sesto San Giovanni (Milan), a well-known Italian radio manufacturing company, is opening a new plant at Rifredi near Florence, for the manufacture of radio tubes.

It is stated that the building of this plant will begin in June, and that when working at full capacity, it will provide work for 500 to 600 operatives, the majority of whom will be women.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1120

April 26, 1938.

POSTPONEMENT OF SUPER-POWER HEARING EXPECTED

The public hearing scheduled to begin May 16 is expected to be postponed this week until June 6th by the Federal Communications Commission. Formal announcement will be made within a few days.

The action follows the filing of a petition with the FCC by twelve clear channel stations asking the postponement "for such reasonable period (not less than 30 days) as the Commission shall determine."

One effect of the postponement will be to delay the inquiry until after Congress adjourns. Members from rural districts in particular have been outspokenly antagonistic toward proposals for establishing super-power stations over the country because of the economic effect they would have on low-power local and regional outlets.

Sixty odd notices of intention to appear at the super-power hearing have been received by the Commission to date, and others are expected before the inquiry gets under way.

Two of the more pertinent reasons set forth by the clear channel stations in their request for postponement of the super-power hearing were:

"Important evidence bearing on certain of the issues specified in the notice of hearing will not be available to interested parties until on or just before May 16, 1938, and perhaps not until later, and in any event will not be available soon enough to permit petitioners and other interested parties to check its accuracy and, if necessary, to secure evidence in rebuttal. Petitioners refer particularly to the questionnaire sent to all broadcast licensees pursuant to the Commission's Order No. 38, adopted March 23, 1938, requiring certain information to be filed by April 25, 1938, and to any further questionnaires or requests for information of similar character that may hereafter be sent to broadcast licensees. Petitioners are informed and believe that such information, when received, is to be summarized and analyzed by the Commission's staff and that, because of the vast amount of work involved, such summaries and analyses will probably not be completed or made available to interested parties until on or just before May 16, 1938, and perhaps not until later. Petitioners also have reference to

other preparation, particularly of a technical character, now understood to be in process in the Commission's staff.

"Other proceedings now pending before the Commission involve inter-related or closely related issues. Petitioners refer particularly to

"a. The pending revision of the Commission's regulations under which, on information and belief, the maximum authorized power of regional and local stations will be substantially increased, and

"b. The pending investigation of chain broadcasting pursuant to the Commission's Order No. 37 adopted March 18, 1938, Issue No. 3 of which has to do with the same subject matter as Issue No. 9 herein, namely, so-called network program duplication."

Fourteen clear channel stations have filed a joint written appearance with the Commission and a summary of the evidence which they propose to submit at the time of the hearing.

The appearance outlines the testimony in favor of increasing the minimum power limitations from 50 KW. The adequacy of the present daytime and nighttime service and the interference from foreign stations are also brought into issue by the appearance. Another section of the appearance deals with the economic and social factors.

The appearance was filed on behalf of Stations KFI, Los Angeles, Cal.; WSM, Nashville, Tenn.; WLW, Cincinnati, Ohio; WGN, Chicago, Ill.; WSB, Atlanta, Ga.; WJR, Detroit, Mich.; WBAP, Fort Worth, Texas; WFAA, Dallas, Texas; WHAS, Louisville, Ky.; WWL, New Orleans, La.; WLS, Chicago, Ill.; WHO, Des Moines, Iowa; WHAM, Rochester, N. Y.; and WOAI, San Antonio, Texas.

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REVISED RULES ON POLICE EMERGENCY SERVICE OUT

The latest rules governing police radio stations in emergency service have been issued by the Federal Communications Commission.

Zone and inter-zone stations are defined, and the power and frequency limitations of each class of station are set forth.

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NEW TELEVISION TESTS GET EXAMINER'S O.K.

New experiments in visual broadcasting, with particular attention directed toward the use of double beam cathode ray systems, were given a favorable report this week by Examiner R. H. Hyde of the Federal Communications Commission.

Recommending that Allen B. DuMont Laboratories, Inc., of Upper Montclair, N. J., be granted a permit to construct and operate a television station on a band of from 42,000 to 56,000 kc., between midnight and 9 A.M., Examiner Hyde found that the applicant has an adequate staff of competent engineers to carry on the proposed research program.

Sixteen objectives are set forth by the applicant in his study of television. They are:

"First, investigation of the use of double beam cathode ray receivers for producing three-dimensional pictures. This undertaking will require the use of electromagnetic deflection of the two beams in the system to avoid interaction between fields which would result from the use of electro magnetic deflection. It will also present considerable difficulty in obtaining proper register of patterns;

"Second, development of a double beam receiver with reciprocal scanning to reduce flicker. More even illumination of the picture simultaneously from top and bottom is expected to assist in accomplishing the elimination of flicker. Applicant's engineers believe that with the reciprocal method using double beam principles, received pictures can be effectively illuminated top and bottom simultaneously more nearly simulating present motion picture projection where the entire picture is illumined intermittently but completely at a given time. The applicant hopes through successful working out of experiments in this line to provide a basis for reduction in necessary transmission band width by one-half and a simplification in receiving equipment;

"Third, investigation toward expansion of the principles involved in multiple beam transmission to permit television in color;

"Fourth, investigation of synchronizing methods with a view of discovering a simpler substitute for the interlaced system now in use. In this connection applicant's projected double beam transmission affords some promise of simplification of synchronizing methods through elimination of synchronizing pulses required in existing systems;

"Fifth, transmission of synchronized pulses on the audio carrier to eliminate necessity of amplitude separation in the visual receiver;

"Sixth, transmission of automatic volume control signal and automatic background control on the audio carrier to prevent distortion on the visual channel;

"Seventh, cooperation with other experimenters in investigation of television, particularly in the manufacture of cathode ray tubes and associated equipment, such as applicant has heretofore supplied for experimenters in various parts of the country;

"Eighth, study of transmission characteristics and field patterns for ultra-high frequencies, particularly the effect on coverage which might be caused by a large hill adjacent to the applicant's site;

"Ninth, study of reflected signals and other ghost effects;

"Tenth, investigation of proper design and construction of suitable cathode ray equipment for transmitters and receivers;

"Eleventh, investigation of the use of cathode ray tubes in the monitoring of ultra-high frequency transmitted radio signals;

"Twelfth, promotion of interest in television work;

"Thirteenth, study of the advantages of horizontal and vertical polarization of transmitted signals;

"Fourteenth, further research in various phases of television;

"Fifteenth, research to qualify applicant to contribute to formulation of suitable standards for television in the United States; and

"Sixteenth, investigation of a system to transmit the horizontal sweep signals by way of the actual carrier."

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INTERNATIONAL COMMITTEE DUE TO REPORT THIS WEEK

The special Inter-Departmental Committee named by President Roosevelt to study international broadcasting of this and other countries, particularly that directed to the Latin Americas, is expected to make its report to the White House this week.

While the findings of the Committee have not been disclosed, indications are that the government group headed by Chairman Frank R. McNinch, of the Federal Communications Commission, will recommend more Government-prepared short-wave programs but will not endorse the erection of a Government-owned Pan American station at this time.

The Committee has made a thorough study of the types of programs broadcast by international stations in the United States as contrasted with those emanating in Rome and Berlin for South American consumption.

The United States Office of Education, of which Dr. John W. Studebaker is Commissioner, is likely to have the job of supervising whatever programs the Government sponsors.

Unless and until a Pan American station is erected, most of the Government's programs are likely to be carried over the Pan American frequencies recently lent to General Electric and the World Wide Broadcasting Foundation.

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RULES ON EDUCATIONAL STATIONS ISSUED

The Federal Communications Commission has issued regulations governing the establishment and operation of non-commercial educational broadcast stations. These regulations follow the recent action of the Commission setting aside a band of high frequencies for the exclusive use of stations engaged solely in non-profit educational broadcasting.

These rules provide that transmitter installation shall be in accordance with "good engineering practices as specified from time to time by the Commission"; govern the location of transmitters and antennae; and provide for the elimination of harmonics and spurious radiations. Generally the rules require that non-commercial educational broadcast stations shall be operated in accordance with the standards heretofore set up by the Commission governing commercial broadcast stations.

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A.P. TURNS DOWN SPONSORED NEWS PROPOSAL

The Associated Press will continue its policy of restricting the sale of its news to newspapers, it Board of Directors decided in New York this week.

By a voice vote the Directors rejected a proposal that members be permitted to sell the A.P. news for commercial sponsorship over the radio. The action followed a warm debate. The issue was presented by Frank B. Noyes, the retiring president.

Proponents argued that such a plan would enable the Associated Press to make needed increases in revenue, through extra assessments on papers using news for radio purposes.

Opponents contended the plan might raise suspicions, however unfounded, that radio sponsors were influencing the news.

Both the United Press and the International News Service now sell their news directly to broadcasting stations for commercial sponsorship.

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FCC SENDS OUT QUESTIONNAIRE TO STATIONS

Continuing to gather data in anticipation of the investigation of chain broadcasting and monopoly charges, the Federal Communications Commission this week sent out an extensive questionnaire to all broadcasting licensees operating on the band 550-1600 kc.

The order specified that the information must be furnished the Commission not later than May 18th. The data requested has to do with program service and personnel.

Stations are instructed to give a complete break-down and analysis of their programs for the week of March 6, including various types of music, dramatic programs, news reports, religious and educational programs, children's programs, special events, sustaining features, and live talent programs taken from the networks.

Information is requested as to the total employees of the station for the same week, classified as to departments and executives of each.

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FCC O.K.'S SALE OF CHURCH STATION FOR TEN TIMES COST

The sale of a broadcasting station, which cost $4,422 originally, for $50,000 by the Exchange Avenue Baptist Church or Oklahoma City, Okla., to the Plaza Court Broadcasting Company, a business organization, was approved this week by the Federal Communications Commission.

"Station KFXR has been operated by the church since 1927", the FCC report stated. "The original cost of the equipment of Station KFXR is estimated as $4,422.000, the present value thereof $3,011.00, and the replacement cost $4,067.00. The average annual income from the operation of the station since 1932 is between $7,000 and $8,000.

"On March 11, 1936, the church adopted a resolution instructing the Radio Committee to receive bids and sell Station KFXR. This resolution was based upon a joint report of the Board of Deacons and Radio Committee, which report included the following statement:

> "'There has been, and is, various and sundry opinion, in the church and out of the church for a period of years, concerning our radio station. A study of the church records and general information received from the leadership of the church, reveal that the radio station has been a continual source of annoyance and agitation since it was first commercialized. Not only in the church but in our city, this annoyance has grown no better through the years. All of us are well aware that the membership of the church as a whole are anxious to do the right thing. It is granted by all of us that there are some members of this church who are honest and sincere in believing that the church should not sell the radio. Others are equally honest and sincere in believing that the church should sell, and that the church, as such, should go out of the radio business. There is, in our city and in the business world of this city, similar opinions existing. We all agree that so long as the station is owned by the church and operated by anybody, even the pastor, that it will be a continual source of annoyance and agitation, both in and out of the church.'"

Subsequently the Radio Committee reported to the church that it had entered into a contract to sell Station KFXR to the Plaza Court Broadcasting Company for the sum of $50,000 cash, the contract providing for the broadcast of Sunday morning services of the church for a period of 7½ years from the time of the sale, and that the sale was conditional upon the

approval of the Federal Communications Commission of the transfer of Station KFXR to the Plaza Court Broadcasting Company.

It was also reported by the Committee that the Plaza Court Broadcasting Company had agreed by contract to make settlement with B. C. Thomason, a member of the church, for his lease-agreement of Station KFXR by payment to Mr. Thomason of $15,000. The Committee recommended that the sale be consummated with the view of paying certain outstanding indebtedness of the church, including a mortgage of $19,000.

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TRADE NOTES

The Columbia Broadcasting System this week told how it had linked up 101 stations over-night to broadcast a special five-nation program on the Austrian crisis March 11th. It also listed 22 special programs on the same subject carried by an average of 66 CBS stations from March 11th to April 10th.

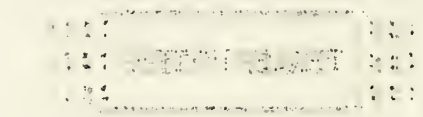
The Zenith Foundation has issued a booklet on "What Well Known Scientists Say About Telepathy" as a promotion of its weekly radio program. The booklet contains reprints of radio addresses and interviews given on the Zenith program in 1937 and 1938.

Station WMFF, at Plattsburgh, N. Y., on May 1st will become affiliated with the NBC-Blue network. WMFF, which will be NBC's 151st affiliate, serves an area with a population of 129,000. It operates full-time on 1310 kilocycles, with daytime power of 250 watts and night power of 100 watts. It is owned and operated by the Plattsburgh Broadcasting Corporation.

An increase in power for Station KSO, Des Moines, Iowa, from 500-2½ KW to 1 KW-5KW, unlimited time, was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin.

Following refusal of American offers to purchase it, the Italian Government has decided to convert Guglielmo Marconi's famous yacht "Elettra" into a wireless museum. It has also decreed that henceforth April 25th, Marconi's birth date, shall be observed as a national holiday.

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WMCA DEDICATION BRINGS MANY CONGRATULATIONS

Congratulations were still being heaped on Donald Flamm, President of Station WMCA, New York, this week for the success of the three-day dedication of the station's new $250,000 studios over the week-end.

The celebration marked the entrance of James A. Farley, Postmaster General and Chairman of the Democratic National Committee, into the novel role of master of ceremonies. Others who served in a similar capacity were James J. Walker, former Mayor of New York City, and John Reed Kilpatrick, President of Madison Square Garden.

Other famous persons who attended were Attorney General John J. Bennett, David Sarnoff, Judge Ferdinand Pecora, Alfred J. McCosker, Thad Brown, Lowell Thomas, Billy Rose, Grover Whalen, Newbold Morris, and Dean Frederick T. Robinson.

While WMCA has now settled down again to its daily routine of furnishing blase New York with entertainment, memory of the celebration lingers on.

As Mr. Flamm put it: "It is more than a memory. The dedication merely marks another chapter in WMCA's history for all who turn to the top of the dial. The new WMCA will, even more than in the past, reflect the sparkling tempo of New York, the Empire City of the World!"

During the three-day period salutes came from Washington, Boston, Philadelphia, Cincinnati, Hollywood, and other American cities and in the studios, Broadway itself gave a rousing welcome to the new WMCA.

In its double column ad in the New York Times Monday written by Al Turner, the Pilot Radio Corporation announced that:

"WMCA's Donald Flamm wins Pilot Radio Award of Merit for outstanding achievement among 'guiding geniuses' of radio . . A tribute to his accomplishment is the dedication of the gorgeous new WMCA studios . . . At 32, Mr. Flamm is one of the youngest, as well as most progressive, 'big moguls' of broadcasting."

Along with the announcement appeared Don Flamm's latest picture.

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INDEPENDENTS AND MUSICIANS AGREE

The week-long conferences between the National Committee of the Independent Broadcasters and the Executive Board of the American Federation of Musicians ended Saturday with the completion and acceptance of a plan modeled along the lines of the agreement executed some months ago between the Independent Radio Network Affiliates and the A. F. of M.

It is estimated that several hundred more union musicians will be placed to work in independent stations through this agreement. It is understood that the basis of allocation is to be 5½ per cent of the gross yearly income for each independent station covered by the plan. There are approximately 386 independent stations. However, many of these have yearly grosses so small that they will be unaffected by the agreement.

The agreement contains provision that it shall not be effective unless a majority of independent stations substantial enough to satisfy the A. F. of M. approves the plan within the time period set by the musicians' organizations. The Executive Board of the Federation still was in session late Saturday and at that hour this time period had not been determined. President Weber, however, in a talk to Motion Picture Daily, said, "Undue delay by the stations in accepting the plan will not be tolerated." He added that he expected the plan to be in operation before the next meeting of the A. F. of M., which will be held at Tampa in June.

Members of the Independent Broadcasters' Committee, nine in number, left Saturday for their homes, the exceptions being Vice-Chairman Harold A. Lafount, WELI, and Jack R. Howard, WCPO, who will remain in New York for several more days to continued deliberations with the Federation.

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MARCONI AWARD GOES TO SARNOFF

David Sarnoff, President of the Radio Corporation of America, was named Sunday as the recipient of the Marconi Memorial Award for 1939. The award, for distinguished service to radio, has been established to perpetuate the memory of the famous Italian inventor. Premier Mussolini is contributing a medal which will be presented April 25, next year, the anniversary of Marconi's death.

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W3XAL GETS TWO NEW TRANSMITTERS

Two new 25,000-watt transmitters, enabling American radio programs to penetrate every country of Europe and all parts of South and Central America, have been installed and will go into operation in the immediate future at the National Broadcasting Company's international short-wave station, W3XAL, Bound Brook, New Jersey.

Designed and built by NBC engineers, the new transmitters will operate through four directive beam systems and two non-directive antennae, occupying twenty-four acres at Bound Brook. Plans are under way, said O. B. Hanson, NBC Vice-President and Chief Engineer, to sharpen the directive beams so as to concentrate radio energy even more toward European and South American countries covered by NBC's transmissions in six languages.

Incorporating the latest developments in high frequency transmission, the new NBC short-wave transmitters will deliver international programs with higher field strength and greatly improved fidelity, said Mr. Hanson. The output stage of each of the transmitters consists of two water-cooled tubes delivering a maximum of 12,500 watts each to any one of the seven antenna systems. These tubes are excited by two other high frequency tubes newly developed for this purpose. The modulating stage consists of two great water-cooled tubes, each doing the work previously done by six tubes. Design of the transmitters, Hanson added, will greatly reduce background noises in the short-wave transmission.

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MORE CALIFORNIA PAPERS DROP RADIO COLUMNS

Dropping of radio comment columns in Los Angeles has spread to the six outlying papers of Col. Ira C. Copley's Southern California Associated Newspapers group, according to Editor& Publisher. The papers are: the Glendale News-Press, Alhambra Post-Advocate, San Pedro News-Pilot, Culver City Star-News, Monrovia News-Post and Redondo Beach Breeze. As in the case of the metropolitan papers, the Copley group will continue to run station logs. Space saved amounts to from one to two columns daily for each paper.

"Reaction to the elimination by Los Angeles newspapers of the radio comment columns April has been more favorable than the publishers anticipated, a check this week revealed", Editor & Publisher said.

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No. 1121

EXHIBIT SELL-OUT FORESHADOWS SUCCESSFUL RMA MEET

The annual conclave of the entire radio industry will occur again at Chicago during the week beginning Tuesday, June 7. The Fourteenth Annual Convention of the Radio Manufacturers' Association, opening that day, and the National Parts Trade Show beginning the day following, promise to rally all radio interests. Exhibit space for the parts show, sponsored jointly by the RMA and the Sales Managers' Club, has been sold out. The membership meetings will be held Tuesday and Wednesday. A "radio special" train will be run from New York.

Details of the convention are being arranged by President Leslie F. Muter and Vice-President Bond Geddes, who is now in Chicago at work on the preliminaries. A. S. Wells, of Chicago, is Chairman of the Entertainment Committee and will be assisted by the following RMA Directors: Paul V. Galvin, Peter L. Jensen, James S. Knowlson, Ernest Alschuler, J. J. Kahn, and Paul B. Klugh.

The tentative convention program follows:

Tuesday, June 7

10:00 A.M. - Meeting, RMA Board of Directors
10:30 A.M. - Meeting, RMA Sound Engineering Committee, Chairman Hugh S. Knowles
12:30 P.M. - Membership Luncheon Meeting followed by Annual Business Meeting of members.
2:30 P.M. - Set Division meeting, Chairman Arthur T. Murray
2:30 P.M. - Tube Division meeting, Chairman B. G. Erskine
2:30 P.M. - Parts and Accessory Division, Chairman Arthur Moss
2:30 P.M. - Amplifier & Sound Equipment Division, Chairman Peter L. Jensen

Wednesday, June 8

10:00 A.M. - Radio Parts Manufacturers' National Trade Show Opening, Exhibition Hall, Stevens Hotel
12:15 P.M. - Credit Committee, Luncheon Meeting, Eastern and Western Divisions, Chairman P. C. Lenz; Vice Chairman Victor Mucher and S. K. Hughes.
Business Session with National Credit Office following luncheon
12:30 P.M. - Luncheon Meeting, New Board of Directors - Election of President and other officers

Wednesday, June 8 (Continued)

2:00 P.M. - Volume Control Committee, Chairman Victor Mucher
7:00 P.M. - Annual Cabaret and Industry Banquet.

Thursday, June 9

Radio Industries Golf Tournament, Calumet Country Club.
Luncheon at Clubhouse at 12:30 P.M. and dinner at 7:30 P.M.

Saturday, June 11

10:00 A.M. - RMA Service Section, Western Division, Chairman J. N. Golten.

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PUBLISHERS JOIN FIGHT ON GOVERNMENT IN RADIO

American broadcasters this week received unexpected support in their fight against Government invasion of commercial radio from the country's newspaper publishers.

The Radio Committee of the American Newspaper Publishers' Association in a report, warned against the use of the ether waves by the Federal Government for political purposes.

"The inescapable task of the American press", the Committee said, "is to guard against encroachment upon American democracy by the Federal Government with radio as an instrument of political power.

"In the totalitarian countries", the report continued, "radio has been made an instrument of dictatorship by which not only the freedom, but the very soul of the press has been destroyed.

"* * * seeing that in other countries, radio has been used as a weapon to destroy liberty, we must solemnly undertake to see that it shall not happen here.

"* * * aside from the use of radio in our own country, the press of America must recognize the terrific potentialities of radio as an instrument of propaganda by which nation speaks to nation.

"The radio stations of Germany, Italy, Russia and Japan are being extensively and intensively used to influence the people of other countries."

The Committee expressed hope "that the vigilance of the American newspapers toward the developments in radio may be co-ordinated into a constant and effective opposition to all tendencies toward the misuse of radio, especially by any dominant political interest.

"Without any partisanship", it said, "it may be legitimately pointed out in this connection that the present national administration has made very extensive use of the radio to explain and defend its policies, and only recently the President of the United States made his eleventh 'fireside talk' to the Nation, using 400 out of the 700 radio stations in the country for the purpose.

"This is a precedent which, in future years, might encourage dictatorship."

The Committee suggested that future studies "be directed toward keeping the final control of radio in the hands of Congress, as the elected representatives of the people, rather than in the hands of the administration in power.

"The present system of Federal licensing for a six-month period should be carefully studied", it said. "There is always the possibility that the short-term license makes the broadcasters unduly sensitive, if not subservient, to the administration in power. * * *"

"Advertising revenue chiefly supports American broadcasting. For 1937, this revenue was estimated at $141,000,000", the report continued. "The question is whether the broadcasters should enjoy the use of a domain which belongs to the people without paying for the privilege."

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RADIO-WIRE RATE INCREASE DENIED

The Federal Communications Commission this week denied requests for increases amounting to 15 percent in radio and telegraph rates.

Petitions for the increases had been filed by the Postal Telegraph and Cable Co., Mackay Radio and Telegraph Company of California, Mackay Radio and Telegraph Company of Delaware, Western Union Telegraph Co., and R.C.A. Communications, Inc.

Chairman McNinch and Commissioners Payne, Sykes, Brown and Walker voted to deny the petions, while Commissioners Craven and Case voted for the increases on a temporary basis for one year.

The Co-operative Committee of the National Association of Railroad and Utilities Commissioners concurred in the denial of the petitions, it was announced.

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SARNOFF DEFENDS PROFITS OF RADIO STATIONS

David Sarnoff, President of the Radio Corporation of America, assailed "the attitude in some quarters of the Government" against earnings from broadcasting this week in an address at the Town Hall luncheon in the Hotel Astor, New York City.

Citing methods of indirect censorship that the Federal Government may exert over radio, despite the prohibition against direct censorship, Mr. Sarnoff said:

"Fear of disapproval can blue-pencil a dozen programs for every one that an official censor might object to. While practically nobody advocates a pre-program blue-pencil in the hands of Government, few realize that post-program discipline by the Government can be a form of censorship that is all the more severe because it is undefined.

"Another aspect of government supervision over broadcasting which is in effect a form of censorship is the attitude in some quarters of the Government toward the profits earned by broadcasters.

"While stations and networks represent substantial investments, broadcasting is essentially a personal service business. The earnings of stations cannot be judged on the basis of their investment any more than those of a lawyer, doctor, theatrical producer or publisher. Income results, not from studios and transmitters, but from programs.

"It is a strange assumption that the less money a broadcasting company makes, the better the public will be served. This attitude is contrary to all sound business principles and experience. In what way is it conceivable that the public will be given better programs if the broadcaster is deprived of both the incentive and the means to improve his facilities and service?

"Adequate profits mean the continuance of private investment and increased enterprise. Losses mean poorer programs, and, when private resources fail, government ownership. If Government regulation of the economics of broadcasting results in a no-profit industry, investors may prefer to exchange their broadcasting equities for government securities. Then we shall have government ownership and 100 percent control of broadcasting. Any further discussion of censorship would then be purely academic. We would have broadcasting of the government, by the government, and for the government.

"We have but to look to the autocracies of Europe to see what such governmental control of broadcasting may mean."

Mr. Sarnoff also said that the present system of granting six-months licenses to broadcasting stations leaves the door open "for an indirect and insidious censorship."

He pointed out that, while the law empowers the Federal Communications Commission to license broadcasting stations for periods not exceeding three years, the Commission, in practice, grants licenses for only six months. Twice a year, therefore, the owner of the station, Mr. Sarnoff said, finds his investment in jeopardy.

"Freedom of the air is inseparable from the freedom of thought, of speech, of worship, of education and of the press. These are the cornerstones of our American democracy. What helps one helps all; what injures one is an encroachment upon all; what destroys one destroys all, and thereby destroys democracy itself.

"A free system of broadcasting can survive only under a democratic form of Government, but it is no less true that democratic government itself will survive only if broadcasting is kept free.

"American broadcasting asks no special privileges. It deserves none. It needs none. All it asks is the preservation of the American spirit of freedom."

In a democracy, Mr. Sarnoff said, it is the power of public opinion rather than a Government tribunal which enforces standards of public expression.

"If freedom means anything", he said, "it means freedom to make mistakes as well as to do the right thing. Broadcasters have made mistakes, plenty of them. That is the way they learned to be broadcasters. I want them left free to make more mistakes. That is the way they will learn to be better broadcasters.

"There should be no censorship by intimidation or economic pressure. The station license should carry a longer term than six months. It should be revocable only for cause, and these causes should be clearly defined in advance."

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Jesse L. Lasky, according to an Associated Press report, has announced that effective next Saturday he would resign as associate producer for the RKO studio to devote his time "toother activities in both the fields of motion pictures and radio."

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POWER HEARING BROADENED TO COVER NEW RULES

The Federal Communications Commission on Thursday postponed the date for the super-power hearing from May 16 to June 6, delayed indefinitely the hearing on 15 requests for 500 KW permits, and broadened the inquiry to cover the new regulations just completed by the FCC engineering staff.

The order was issued, however, before the draft of the new proposed rules, which will be the basis for one phase of the hearing. FCC officials said the regulations would be released within a few days.

Notices will be sent to all broadcasters of the June 6 hearing on the new regulations as soon as they are released.

The effect of the FCC order is to postpone indefinitely the establishing of regularly-licensed super-power stations over the country until a thorough investigation of the economic phases of such action.

Immediately following the hearing on the new regulations the special FCC committee headed by Commissioner Norman Case will consider the application of WLW, Cincinnati, for renewal of its experimental 500 KW. license.

The FCC broadened the authorization of the special committee, which includes Commissioners T.A.M. Craven and George Henry Payne and Chairman Frank R. McNinch as ex-officio member, to conduct the inquiry on the new regulations as well as the revision of Rule 117 and the experimental super-power licenses.

The Commission in a formal announcement of the June 6 hearing stated that it had decided to combine the hearings on new regulations and Rule 117 in order "to conserve expense and facilitate progress".

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RADIO OCCUPIES MUCH OF ANPA'S ATTENTION IN N. Y.

Radio and its effect on the press occupied much of the time and attention of the nation's newspaper publishers during the convention of the American Newspaper Publishers' Association in New York this week.

Besides releasing a lengthy criticism of the radio set-up, the publishers frequently discussed radio as a business rival but insisted that freedom of the air as well as freedom of the press should be maintained.

Elish Hanson, counsel of the ANPA, assailed the recent FCC rebuke of the NBC for the Mae West broadcast.

"There may have been a question of taste", he said, "but the listener who was offended could have turned off that station just as an irate subscriber could turn down his future subscriptions to your paper. If sufficiently offended, the listener could have objected to buying the particular product which was advertised or could have refused to listen to the station in the future.

"But I see no occasion for any official Pecksniff in Washington issuing an order which was equivalent to a command, or threatening to issue such an order, to bar Mae West or any other person forever from the radio channels of this country.

"I would like to see a Radio Commissioner or a Communications Commissioner or any other Government agency tell any newspaper publisher sitting in this room he couldn't run an editorial or article by any outstanding correspondent or writer at any time in the future - or else."

Frank E. Tripp, General Manager of the Gannett newspapers, urged the publishers to give greater support to the Bureau of Advertising of the ANPA as a "united front" for the purpose of "selling" newspaper advertising in both large and small newspapers. Charging that radio had "raided" newspaper advertisers instead of developing new business, he warned that the newspapers must adopt new methods of showing advertisers how newspaper advertising can be used successfully.

J. M. Bunting, General Manager of The Bloomington (Ill.) Daily Pantagraph, asserted that newspapers, by publishing free radio programs and publicity, were helping the radio take millions of dollars in advertising away from the newspapers. He urged that this free publicity be discontinued. He said that his paper had not printed a free radio program for six years, but that its circulation had increased whereas the average circulation of its competitors, which do print the programs, had decreased in comparison with previous high marks.

Merlin H. Aylesworth, publisher of The World-Telegram (New York) Scripps-Howard paper, and former President of the National Broadcasting Company, took issue with Mr. Bunting. According to Mr. Aylesworth, radio is a complementary medium, and is neither a menace nor a dangerous competitor to the newspapers. He said he was not at all alarmed by the situation when he moved from radio to the newspapers himself.

Lorrin P. Thurston, President and General Manager of The Honolulu (Hawaii) Daily Advertiser, and A. L. Miller, publisher of The Battle Creek (Mich.) Enquirer and News, both of which own their own radio stations, said the stations were helpful rather than detrimental to the papers.

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NEWSPAPER-PRESS DISSOLUTION REVIVED IN SENATE

On the heels of a reversal of policy by the Federal Communications Commission regarding newspaper ownership of radio stations, agitation for divorcing the two means of news dissemination was revived in the Senate this week.

Despite the change in the attitude of Senator Wheeler (D.), of Montana, the idea of enacting a law to prevent newspaper from monopolizing the broadcasting industry is by no means dead, Senator Minton (D.), of Indiana, a spokesman of the Administration, indicated in an attack on the press Thursday.

Senator Minton's chief fire was directed against the report of the Radio Committee of the American Newspaper Publishers' Association (see story elsewhere in this issue) and at the alarm of the press that the Government might control broadcasting.

Senator Norris (Independent), of Nebraska, interrupted Senator Minton's tirade, to suggest:

"Since radio is rapidly getting into the hands of the newspapers, I wonder if the Senator has given any thought to whether it would be a wise move on the part of Congress to prevent one of these news agencies from acquiring ownership of the other; in other words, to prevent a newspaper from owning a radio station. That could be very easily determined by Congress, so that we would have at least two means of getting the news to the people."

Senator Minton remarked that such a bill, the Wearin measure, is now pending in the House, and added: "And I think it is probably more justified now that the press is trying to strangle radio."

Commenting on the suggestion of the publishers that the six-months licensing system of the Communications Commission "should be carefully studied", the Senator said:

"Yes, it should be studied carefully in order to see that the 33-1/3 percent of the stations which are now owned by the newspapers are cleaned up, and the newspapers are put out of the radio business."

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Purchasers of radio sets in Canada are now required to produce or buy a license before they can obtain delivery from the manufacturer. A Government order also makes it an offense for a person to install or operate more than one set in his home, without obtaining extra licenses; and dealers and service men are prohibited from servicing or repairing sets unless the owners produce their licenses.

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FTC PLACES BAN ON TELEVISION INSTITUTE

Prohibiting certain unfair methods of competition in the sale of correspondence courses of study in radio and television, and in the sale of equipment for radio and television, an order has been entered by the Federal Trade Commission against American Television Institute, Inc., 433 East Erie St., Chicago, and its officers, U. A. Sanabria, R. B. Fullerton and A. H. Zamotany.

Under the order the respondents are barred from representing in advertisements inserted in classified advertising pages of newspapers and magazines, under such headings as "Help Wanted" or "Men Wanted", that employment will be offered to persons who answer such advertisements.

The order prohibits the respondents from making other representations, including the following.

That they select and train a limited number of persons for positions in radio television and that students are trained at the respondents' expense; that they operate a widespread employment agency or that students are placed in paying positions upon graduation; that they operate radio television broadcasting stations and that there is a shortage of radio television operators; that their place of business is larger or that they have greater business facilities than actually is the case, and that any of the respondents or their agents or employees are engineers of television broadcasting stations.

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WEEKLY INDUSTRY STATISTICS TO AVOID RADIO DUMPING

Prevention of over-production of receiving sets is the major object of a plan adopted by the Board of Directors of the Radio Manufacturers' Association at its New York meeting to provide for exchange between members of weekly production and inventory statistics. It will be instituted as soon as possible.

The statistics project was planned by a special committee of which Henry C. Bonfig, of Camden, N. J., is Chairman, and including James M. Skinner, of Philadelphia; James S. Knowlson, of Chicago, and S. T. Thompson, of Long Island City, N.Y.
Weekly statistics will be gathered, covering factory production periods from Saturday morning through each Friday night, inclusive. The statistics will include figures on weekly sales to retailers; wholesalers and branch inventory; factory finished goods inventory, and factorh shipments to wholesalers and wholesale branches, together with total factory cabinet commitments.

Manufacturers will be enabled to check their production with the market requirements more closely and avoid merchandising difficulties, including "dumping", which have occurred in former years.

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TRADE NOTES

Frank D. Scott, Chicago radio manufacturer, has "perfected a new device which gets radio programs in such a way that the listener hears only the music - eliminating all advertising blurbs", according to Leonard Lyons, New York columnist.

One of Washington's recent visitors was Gladstone Murray, General Manager of the Canadian Broadcasting Corp., "czar" of Dominion radio. Until Mr. Murray (whose full name is William Ewart Gladstone Murray) entered upon his present post at Ottawa, he was Director of Public Relations for the Government-controlled British Broadcasting Corp. at London. He once did newspaper work in this country.

The Crosley Radio Corp., of Cincinnati, reported this week net loss of $25,774 for the three months ending March 31, compared with net profit of $218,440 during the comparative quarter last year, before deduction of $250,000 flood loss.

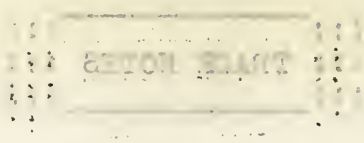
The possibilities of radio facsimile transmission as an agency of the daily press were explained and demonstrated at Radio City Thursday by Major Lenox R. Lohr, President of the National Broadcasting Company, after a luncheon to publishers attending the current ANPA meetings. The newsmen were taken to NBC's studio 3C where facsimile reproduction was in progress, and where samples of experimental facsimile broadcasts by RCA transmitters and receivers were hung on the walls for inspection.

The Federal Communications Commission has directed that all licenses for radio stations in Alaska expiring June 1, 1938, be extended to January 1, 1939; that licenses expiring June 1, 1939, be extended to January 1, 1940; that licenses issued between now and January 1, 1939, be issued for the period ending January 1, 1940, and that the normal expiration date for licenses for stations other than broadcast and amateur in Alaska be January 1st hereafter.

A preliminary conference for consideration of a minimum wage in the radio manufacturing industry under the Walsh-Healey Act was held this week at the Department of Labor by L. Metcalfe Walling, Administrator of the law providing for minimum wages under Government contracts in excess of $10,000.

A meeting of the special RMA Committee of which Octave Blake of South Plainfield is Chairman, having charge of the negotiations relating to the Walsh-Healey Act will be held in New York on Thursday, May 19. The questions involved then will be reported to the RMA Board of Directors at its meeting on June 7 in Chicago. The formal public hearing is expected to be scheduled later in June.

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No. 1122

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FCC PLANS BROAD INQUIRY AS SENATE PROBE LOOMS

A broad general reallocation hearing is planned by the Federal Communications Commission to begin June 6th while another move to bring about a Senate investigation of the FCC and the broadcasting industry is under way on Capitol Hill.

New rules and regulations which will set up new station classifications and power limitations in accordance with the proposals of the FCC Engineering Department are expected to be issued early this week and to form the basis for the June hearing.

Changes of frequencies, as proposed in the engineering report and as embodied in the Havana Treaty will not be considered at the inquiry because of the failure of the State Department to submit the treaty to the Senate for ratification.

Just as it appeared that the chance of a Congressional investigation of radio was foregone for another session, Senator White (R.), of Maine, let it be known that he may press his resolution or blast the FCC on the Senate floor before adjournment.

Senator Byrnes (D.), of South Carolina, as Chairman of the Senate Audit and Control Committee, said he would give Senator White a hearing shortly on his resolution calling for an investigation of the Commission and the industry. While Senator Byrnes is opposed to the inquiry, Senate investigations are ordered much more readily than House probes.

The Maine Senator has indicated that if his resolution is not approved, he will make a speech on the Senate floor to force an investigation of the FCC.

Observers believe that the Republican National Committee has suggested that Senator White press his inquiry in the belief that it may embarrass the Administration.

Because of the change in plan for the Fcc hearing, super-power will be relegated to the background for the time being while the new Commission regulations, station classifications, general power changes, and the like will occupy most of the attention of the FCC and broadcasters.

The hearing in June is expected to last for three weeks or a month.

In explaining its action in postponing indefinitely the hearing on applications for 500 KW permits and in broadening the inquiry, the Communications Commission stated:

"Inasmuch as practically all stations are interested in the question of 500 KW as well as in new regulations, and inasmuch as many issues of an economic character are inherent in both the new regulations as well as in the question of power in excess of 50 KW, the Commission felt that unnecessary effort on the part of all concerned could be avoided by adoption of the course it has taken.

"While the draft regulations are designed to facilitate constructive progress in the art of broadcasting and are intended to permit the application of latest technical devices in accordance with the information compiled as a result of the informal engineering hearing of October 5, 1936, the Commission considers these draft regulations tentative in character and subject to change in detail as a result of conclusions based upon proper proof presented at the forthcoming hearing on June 6, 1938.

"The applications of WLW and WHO, for renewal of existing special experimental authority and for special experimental authority to operate with 500 KW, respectively, will be heard immediately after the close of the hearing on rules and regulations. These two applications, while involved indirectly in the consideration of the rules and regulations, are, however, separate and distinct issues differing in many aspects from the question of a permanent license or change in rules and regulations with reference to powers in excess of 50 kilowatts."

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TWO NEW STATIONS ORDERED; ONE FOR NEWSPAPER

Construction permits for two new broadcasting stations, one to be operated by a newspaper, were granted late last week by the Federal Communications Commission.

One of the applicants is the Elmira Star-Gazette, Inc., of Elmire, N. Y., which will broadcast on 1200 kc. with 250 watts power, daytime only.

The other is the Standard Life Insurance Company, of Jackson, Miss., which will operate on 1420 kc. with 100 watts at night and 250 watts daytime.

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REAPPOINTMENT OF COMMISSIONER CASE EXPECTED

Norman S. Case, member of the Federal Communications Commission since its creation in 1934, is expected to be renominated for another seven-year term by President Roosevelt sometime this month.

Governor Case's term expires July 1st under the staggered year appointment system provided in the Communications Act. A native of Rhode Island, Governor Case served as its chief executive and also as Chairman of the Conference of Governors at the time President Roosevelt was Governor of New York. Governor Case is a personal acquaintance of the President. It is understood the Senatorial Delegation from Rhode Island has petitioned the President for his reappointment, along with a number of other leading public officials.

While Congress is expected to adjourn early in June, it is anticipated the nomination will be made in advance of adjournment to permit Senate confirmation. Otherwise, the appointment would have to be made on a recess basis with confirmation to come at the next session of Congress convening in January.

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RCA AND MACKAY CLASH AT SENATE HEARING

A controversy over licenses issued by the Federal Communications Commission, covering the foreign field, developed this week before a Senate Interstate Commerce sub-committee.

Former Rear Admiral Luke McNamee, now President of the Mackay Radio & Telegraph Co., declared the licenses had given R.C.A. Communications, Inc., a monopoly. Frank Wozencraft, General Solicitor for R.C.A., retorted that the competition of the Mackay company would "put both companies in the red" if granted.

The hearing was being held on a bill by Senator Wheeler (D.), of Montana, amending the 1934 Communications Act to declare it is Congress' policy "to prevent monopoly and encourage competition in direct foreign radio telegraph communication."

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TIME SIGNAL DEVICE BRINGS INVENTORS REWARD

For developing a device which sends out radio time signals automatically by means of a quartz crystal controlled oscillator, two Washington men have been awarded the Edward Longstreth medal by the Franklin Institute of Philadelphia.

The inventors are Capt. J. F. Hellwig, U.S.N., retired, head of the U. S. Naval Observatory, and Paul Solenberger, an associate.

The invention, it was said, "increased the accuracy of radio time signals". It is used in Washington and California naval radio stations, the time signals being picked up by naval vessels at sea every hour. Many commercial stations also employ the automatic signal device.

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INDIA MAY GIVE AWAY RADIO SETS

As a part of the rural uplift program in the United Provinces of India, it has been proposed that 300 villages be provided with radio receiving sets, according to a report to the Commerce Department from the office of the American Trade Commissioner at Calcutta.

It is estimated that the cost of the sets would approximate $22,200 and that an additional $3,700 would be required for recurring expenses, the report stated.

If the plan is approved, it will be worked in conjunction with the Lucknow Radio Station, which was scheduled to open in April.

Installation of sets in villages was also discussed at the Bihar Assembly insession at Patna for the use in cooperation with the Patna Broadcasting station, according to the report.

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RUMORS ABOUND AS SHORT-WAVE REPORT IS DELAYED

While the Inter-departmental Committee on International Broadcasting has completed its study and report, the document will not be made public until the return of President Roosevelt to Washington, if then, it was learned this week.

Meanwhile rumors abound as to the recommendations of the Committee. All agree that the Committee is suggesting that the Government go in for international broadcasting on a rather extensive scale, but prognosticators differ as to whether the Committee will recommend that the Government build and operate its own short-wave stations, or use present privately-owned outlets.

One report from a source close to the Committee said that the Committee has straddled the issue somewhat by suggesting both possibilities and leaving the decision to the President.

Another rumor is that the Committee is proposing that the Government establish several international stations and operate them for the purpose of improving relations with Latin American countries.

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THREE STATION TRANSFERS APPROVED BY FCC

Transfer of control of three broadcasting stations, one to a newspaper syndicate, was approved late last week by the Federal Communications Commission.

The transfers are:

Station WROK, Rockford, Ill., from Lloyd C. Thomas to Rockford Consolidated Newspapers, Inc., which publishes two newspapers in Rockford; ten shares.

Station WNBZ, Saranac Lake, N. Y., from Earl J. Smith and William Mace to the Upstate Broadcasting Corporation; sale price $17,000.

Station WKBH, LaCrosse, Wis., from Joseph C. Callaway to Harry Dahl.

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ANPA HEAD SAYS RADIO KEEPS PRESS TRUTHFUL

The competition of radio broadcasting and other disseminators of news keeps the newspapers on their toes and especially intent on keeping their news accurate, according to Robert McLean, newly-elected President of the American Newspaper Publishers' Association.

As part of a statement made to Editor & Publisher following his election, Mr. McLean said:

"No longer are newspapers the only medium for transmission of news. We have had the radio for a decade or more. We see and listen to the sound reel. We have facsimile already, and television comes repidly over the brow of the hill. To put it boldly, we had better tell the truth or somebody else will."

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"SPRING TUNE-UP" FOR RADIOS IS LAUNCHED

A Spring Tune-Up campaign to get listeners' radio sets in first-class condition for the important Summer programs ahead is being launched by Radio Today with its May issue. Through its radio readers, listeners will be urged to have tubes and antennas replaced and sets overhauled. Supplementing this Spring Tune-Up drive, there will be network broadcasts by the editor of Radio Today, Dr. O. H. Caldwell, over NBC May 9th and 27th, and CBS May 13th.

Three simple rules for good radio reception are emphasized by Editor Caldwell: 1. Have an outdoor antenna installed as high as possible and leading away from the house. 2. See that the tubes in your set are fresh and in good operating condition. 3. If interference is still suffered, have an experienced radio man check over your radio set, as well as nearby electrical devices, which may be causing the trouble.

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A new radiobeacon is being established by the Lighthouse Service at Bonita Point, on the north side of the entrance to San Francisco Bay, California, according to the Bureau of Lighthouses, Department of Commerce. This radiobeacon will greatly facilitate the approach to the Golden Gate, particularly during fog or low visibility, and will be operated in conjunction with the existing radiobeacons at the Farallon Islands, and on San Francisco Lightship.

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TRADE NOTES

President Roosevelt has nominated Richard C. Patterson, Jr., of New York City, to be an Assistant Secretary of Commerce. Mr. Patterson formerly was Vice-President of the National Broadcasting Company. He was named to the post vacated by Ernest G. Draper, recently appointed a member of the Federal Reserve Board.

In the matter of the hearing on the protests of Mackay Radio and Telegraph Company, Inc., R.C.A. Communications, Inc., The City of New York Fire Department, the Mutual Telephone Company of Hawaii, and Press Wireless, Inc., to the allocation of frequencies between 30,000 kilocycles and 300,000 kilocycles, now scheduled for June 6, 1938, the Commission, upon its own motion has postponed the hearing until June 20.

San Diego's three daily newspapers have joined the ranks of those eliminating all radio page material but the daily program schedules. The Union, Sun and Evening Tribune quickly followed a lead by Los Angeles papers, mutually agreeing to drop everything but the programs.

Frank R. McNinch, Chairman of the Federal Communications Commission, will be the principal speaker at the annual luncheon of the Women's National Radio Committee tomorrow (Wednesday), May 4th. Mr. McNinch will be introduced by Madame Yolanda Mero-Irion, Chairman and founder of the Women's National Radio Committee. Immediately after the broadcast the Committee will make its annual award to the person who has made the greatest contribution to broadcasting during the year 1937.

At least s ixty institutions are offering courses in radio education, radio speech, or radio writing during the 1938 Summer session, according to the National Committee on Eeucation by Radio.

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RADIO-LUXEMBURG PLANS CULTURAL BROADCASTS

The Director of Radio-Luxemburg, one of the most powerful broadcasting stations in the world, has an idea which he believes will tend to aid materially in securing a more rapid diffusion of technical scientific discoveries and exchange of intellectual ideas than now seems possible through other means, if he can secure the desired cooperation, according to the U. S. Consul at Luxemburg.

"Briefly", the report states, "Director Peulvey is willing to place a half-hour once or twice a week at the disposal, free of charge, of learned societies, medical faculties, and cultural international organizations for the broadcasting in English, German, Flemish, French, Italian, and Dutch of redent medical discoveries described by an expert approved by his own country's medical authorities, or information of value touching cultural relations and other similar matters.

"Inasmuch as Radio-Luxemburg's broadcasts cover England, Ireland, Germany, Belgium, Netherlands, Italy and France with great strength and clarity, the station has potential audiences amounting to many millions. It would not be necessary for a participating group or society to send a special speaker to Luxemburg to take part in these half-hours inasmuch as Radio-Luxemburg has upon its staff English speakers who are quite capable of broadcasting any technical material in the English language. Such announcements could always be sent to the Legation for examination and transmittal to the Director of Radio-Luxemburg, or some other means could be worked out later."

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By courtesy of the Directors of the Epsom Grand Stand Association, the British Broadcasting Corporation will televise the Derby on June 1st. Three cameras - one of which will be equipped with 6-inch telephoto lens - will be used. In addition to the race itself, the broadcast will include pictures of the course and crowds, the parade of runners, the weighing-in of the jockeys, and the leading-in of the winning horse.

April's programs from the BBC station at Alexandra Palace included the televising of a mimic air raid, involving an attack on Alexandra Palace itself.

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FDR, ROPER LAUD RADIO AS FORCE FOR DEMOCRACY

Radio as an "essential force in our democratic form of government" and an "established American service industry" was hailed in a letter from President Roosevelt and in a talk by Secretary of Commerce Daniel C. Roper during ceremonies dedicating the Columbia Broadcasting System's new KNX Hollywood studios broadcast over the CBS network Saturday, April 30.

Secretary Roper spoke from 10:45 to 11:00 P.M., EDST, before the day's ceremonies were climaxed at midnight in a two-hour broadcast which included an address of welcome by William S. Paley, President of Columbia, and appearances by leading radio and motion picture celebrities.

Mr. Roosevelt stated in his letter, which was read during this broadcast, that the "art of broadcasting . . . is a factor of the utmost importance in the maintenance and preservation of our Constitutional guarantee of free speech." He then expressed himself as being "particularly pleased with your (Columbia's) announced policy of making your facilities available as a forum for the presentation of both sides of public questions."

"Only through free and untra_mmeled discussion", he wrote, "can sound public opinion, so essential as a force in our democratic form of government, be achieved.

"In placing this emphasis upon a poolicy which I believe you have proclaimed publicly, I do not wish to underestimate the broad role which broadcasting has played in the social life of the nation as a rich source of entertainment and diversion for our entire people. In fact, I believe that radio adds to the fullness of life just as vitally when it provides laughter, enjoyment and relaxation as when it furnishes public stimulus on matters of serious concern to the commonweal."

Secretary Roper said, in part:

"Broadcasters utilize a resource which belongs to the people and is specifically reserved to them by the Congress. In obtaining this franchise privilege, these broadcasters undertake a certain responsibility to render a public service. The consequence of this has been the development of radio into an established American service industry.

"Programs of a cultural value, including music, other classic arts, and constructive historical episodes, express the responsibility of the sponsors for the highest sentimental and cultural influences fundamentally useful to our entire social structure. This is not only an effective defense for democracy through its satisfying influence on the

human soul, but looks to fellowship, understanding and peaceful relations. In no other country in the world is the opportunity greater for the masses of the people to enjoy, with the minimum of effort, those entertainment and educational features which enrich and ennoble.

"Certainly, few agencies have greater potentialities in their freedom of opportunity for constructive service in spreading human happiness and giving strength and virility to our democracy. But, this opportunity must be safeguarded against sinister and selfish controls, through a balance with responsibility, if best results are to be achieved for all. Private broadcasting will flourish so long as its mission exemplifies constructive ideals for the people."

Turning to a discussion of commercial broadcasting, Mr. Roper pointed out that in 1937 more than $68,000,000 was spent by American business "for the privilege of disseminating their sales messages into the homes of the country by radio." He cited these figures, he said, "first, to reflect the estimate placed by the public on the value and effectiveness of the radio as a medium for building business good will, through the technique of entertainment", and "second, to emphasize the responsibilities involved for wisely leading and not misleading the public."

"The fact that radio advertising has proved so well its potentialities for stimulating mass distribution and the corollary of mass production and lower consumer prices justifies its role as a basic social and economic force in our democracy."

Mr. Paley paid tribute to Hollywood as "a new metropolis of the 'empire of entertainment' of which it may truly be said that all roads lead to Hollywood." The pioneers in this "world of make-believe" and their successors have tkane "a long forward stope", he said, "in perfecting the usefulness of human communication, for the motion picture is an expression of the art of communicating enjoyment, entertainment and useful knowledge.

"In more recent years, we of the broadcasting industry have been privileged to play a new and important role in developing even further the art of communication. It has been our happy task to open for the peoples of the world new doors to entertainment, knowledge and cultural opportunity, and it is our obligation to widen those doorways, to keep them free and open, and to increase the stock of treasures which lie beyond them."

Mr. Paley said the KNX studios "were designed to help produce better programs, programs that entertain, programs that inform and programs that make people think."

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JAPAN TO BUILD 100 KW RADIO STATION

Apparently spurred to action in combating what is considered to be radio propaganda unfavorable to Japan, the Department of Communications of the Taiwan Government General has announced that construction will be started shortly of a 100 kilowatt radio station at Choryo, Tamio-sho, Kagi-gun, (north of the city of Kagi) Tainan-shu, Taiwan and will be ready for operation by mid-1939, according to the U. S. Consul at Tokyo.

Mr. Tomizu, Chief of the Japanese Department of Communication has issued the following statement concerning plans for the new station:

"World broadcasting is now being concentrated in large stations rather than in small scattered stations, and every country is competing in equipping itself with the large type station. Even in our country a 150 kilowatt station was put into operation in Tokyo in January of this year. From the standpoint of national policy it is thus necessary for Taiwan, which is in a special area, to compete in this war of electric waves. The Taiwan Government General has therefore decided to expedite completion of a large broadcasting station at a total cost of 2,400,000 yen beginning with the fiscal year 1937 and spread over three years. A site has been selected at Choryo, Tamio-sho, Saki-gun, Tainan-sho."

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WMCA SELLS 19 HOURS BLOCK OF TIME TO ONE SPONSOR

What is perhaps the largest block of time ever sold to one sponsor was consummated this week with the sale of 19 hours per week by WMCA, New York, to Community Opticians, Brooklyn, Inc. The time provides for eight different types of broadcasts ranging from a round-table on bridge with the "Four Aces", recent Vanderbilt Cup winners, to a "Dance Parade" nightly.

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No. 1123

NEW FCC RULES FORESHADOW STRICTER RADIO CONTROL

More rigid control of the operations of broadcasting stations, particularly experimental transmitters, is foreshadowed in the proposed new rules and regulations of the Federal Communications Commission just issued as a basis for allocation herings which will begin June 6th.

Authorizations for new station licenses or an increase in power for an existing station will be made under the new FCC rules only after satisfactory showing is made "that the proposed programs are of such standard as to provide a meritorious service, including such cultural programs as may be required, to the listening public."

The other qualifications are similar to those already demanded, i.e., that the assignment will tend to effect an equitable distribution of radio facilities, that objectional interference will not be caused, and that the applicant is financially and technically qualified to build and operate a station.

Corresponding with the recommendations of Commissioner T.A.M. Craven, who prepared the report while Chief Engineer of the FCC, the new rules propose to set up four major classifications of stations, two of which would have subsidiary groups, making six classes in all.

Ninety-two channels - clear, regional, and local - are embraced in the classifications. Forty-four are designated clear waves, but only 25 are designated for 50 KW power and are free from interference of other stations on the same or adjacent channels.

The second group of Class I stations, labelled "Class 1-B", comprises stations which will operate with power from 10 to 50 KW.

Class II includes stations which will operate on clear channels with from 25 to 50 KW power but which "is limited by and subject to such interference as may be received from Class I stations".

There are two kinds of Class III stations. The "A" group would operate with from 1 to 5 KW power, while the "B" group would use from 500 watts to 1 KW night and 5 KW daytime.

A Class IV station is a station operating on a local channel and "designed to render service primarily to a city or town and the suburban and rural areas contiguous thereto. The power range is from 1 KW to 25 KW.

The two new channels are 1530 and 1550 kc., and are added to the regional classification.

Four channels formerly reserved for high-powered regionals - 1460, 1470, 1480 and 1490 kc. - are added to the clear channel group.

Standard broadcast stations which are given special experimental permits are prohibited from transmitting any commercial or sponsored program during the extra hours of operation, and the FCC may direct the station to "conduct experiments that are deemed desirable and reasonable."

Some of the new regulations are designed to relieve the FCC of the task of passing upon unimportant details which now clog its docket.

For instance, under the new rules, stations will be permitted to move their studios within a city so long as they notify the Commission of their action. Now they must obtain permission to do so.

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POLICE CALLED ON CARPET BY FCC POLICE OF AIR WAVES

It is seldom that even Federal officials have the opportunity to bawl out city policemen, but such a privilege has come to the Federal Communications Commission.

The FCC summoned the Capitol Heights Police Department, of Capitol Heights, Ill., to Washington for a hearing recently after it had received charges that the police radio station was being operated by other than licensed operators in violation of Section 318 of the Communications Act.

Examiner R. H. Hyde this week recommended that the license be renewed despite the violation after the police officials humbly admitted their mistake and promised to obey the law in the future.

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"TOWN MEETING" GIVEN WOMEN'S RADIO AWARD

"America's Town Meeting of the Air", a weekly feature on the NBC-WJZ network, was chosen this week for the annual award of the Women's National Radio Committee for 1937. The program was said to be "one of the outstanding achievements of the year in radio".

Other programs cited by the Committee, without making awards to them, are:

Best programs of serious music commercially sponsored: Ford Sunday Evening Hour, a weekly Columbia network feature, and the Philadelphia Orchestra concerts, the "Musical Star" programs and Metropolitan Opera broadcasts on NBC.

Best sustaining (non-commercial) programs of serious music: New York Philharmonic-Symphony directed by John Barbirolli Sundays over Columbia; the NBC Symphony under Arturo Toscanini, and the "Sinfonietta" directed by Alfred Wallenstein over the Mutual system.

Best dramatic program: Lux Radio Theater, with the Columbia "Workshop" second, both Columbia network features.

Best serial dramatic program: One Man's Family, a National Broadcasting Company presentation.

Best variety program: Good News of 1938, with Rudy Vallee second; both National Broadcasting Company features.

Best children's programs: Irene Wicker, the "Singing Lady", first, and Nila Mack's "Let's Pretend" second. Miss Wicker's program is heard over NBC, Miss Mack's over CBS.

Programs for class rooms: Special mention to the Music Appreciation Hour of Walter Damrosch broadcast over NBC and Columbia's "American School of the Air."

Programs of educational value for children: Columbia's "Cavalcade of America"; Mutual's "Epic of America", and "Music for Fun" on Columbia.

Best adult educational program: "America's Twon Meeting of the Air", broadcast over NBC first, with "Professor Quiz", a Columbia feature, second.

News program: Trans-Radio Press News service and the "March of Time", the former a feature of WOR in New York, and the latter an NBC feature, were commended. The Committee did not name any radio commentators.

5/5/56

"TOWN MEETING" GIVEN WOMEN'S RADIO AWARD

Best radio comedian: Edgar Bergen's dummy, Charlie McCarthy, with Fred Allen drawing first place among flesh and blood performers. Both are heard over NBC.

Outstanding comedy team: Jack Benny and Mary Livingston, with "Amos 'n' Andy" second and Burns and Allen third, all NBC entertainers.

Most popular master of ceremonies: Don Ameche, first, Robert Taylor, second; both NBC performers.

Good taste in advertising: First place to Jello, on NBC, and second to DuPont for the "Cavalcade of America" on CBS, with Sealtest Rising "Musical Star" program, NBC, third.

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NAB LEADERS CARRY COMPLAINTS TO McNINCH

Officials of the National Association of Broadcasters are due to call shortly on Frank R. McNinch, Chairman of the Federal Communications Commission, in a move to smooth out complaints of broadcaster members against some new FCC policies and practices.

Headed by Mark F. Ethridge, Acting President, the delegation was to press specifically for longer station licenses, a change in the procedure of penalizing licensees by giving them temporary permits, and postponement of the general reallocation hearing scheduled to begin June 6th.

Strengthened by the addition of 14 new station members and the beginning of an administrative staff, the NAB is preparing to launch a militant crusade in behalf of the broadcasting industry.

The Board of Directors has hired two persons to tackle the job of improving public, labor, and political relations. They are Joseph I. Miller, former labor reporter for the Associated Press, and Ed. Kirby, of WSM, Nashville. Paul Peters, former NBC statistician, was employed to do research work.

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The Federal Communications Commission has scheduled a hearing before the Commission en banc June 20th on the allocation of radio services in the bands from 30,000 to 300,000 kc., inclusive. The hearing will be limited to "such issues as set forth in objections filed by certain carriers relating to changes in frequency under FCC order No. 19."

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NEW FRENCH TELEVISION STATION INAUGURATED

The famous television transmitting station in the Eiffel Tower, Paris, soon to be the most powerful television transmitter in the world, was inaugurated into general service recently by a gathering of French Government officials headed by the Minister of Posts and Telegraphs, the International Telephone and Telegraph Corporation reports. The transmitter has been raised to an output of 25,000 watts, will be operating at its maximum capacity of 30,000 watts in the near future, and this will make it the most powerful television station in the world. The station was engineered and installed for the Department of Posts and Telegraphs by Le Materiel Telephonique, French licensee company of the International Telephone and Telegraph Corporation.

The transmitter was ordered by the French Government in March 1937 to feature the communications section of the Paris Exposition. The engineering of the station and the task of installing it in the Eiffel Tower - particularly of placing the heavy coaxial cable which connects the station equipment at the base with the antenna in the very top of the 1,000 foot tower - was accomplished by Le Materiel Telephonique on assignment. The station was operating by September at the height of the Exposition. It was a conspicuous technical success and became one of the most fascinating features of the great Fair.

This is the second time the Eiffel Tower has borne milestones in communications history. The first transatlantic reception of the human voice by radiotelephone was at the Eiffel Tower in 1915 from the United States.

The design and construction of the television antenna and transmitter have involved not only the solution of new and difficult technical questions but also the solution of the many unique installation problems including that previously mentioned of placing the feeder cable to connect the transmitter and the antenna. This cable has a total length of 1,250 feet, is over 5 inches in diameter and has a total weight of over 12 tons. It is the longest of its kind in the world. Installation had to be carried out without interfering with elevator service in the Eiffel Tower and with full regard to limits of stress and strain which could be applied to the structure itself.

The French Posts, Telephones and Telegraphs Department, anxious to ensure that the television programs should be the best that present technique provides, have constructed and equipped two television studios containing the most up-to-date equipment. These are situated at distances of 1-1/2 and 3 miles from the transmitter respectively and they are connected to the station at the Tower by special cables.

The cable is of the coaxial type recently developed for multiplex telephone and television transmission. It consists of a solid inner conductor of copper, supported within a flexible copper outer conductor. This is sheathed in lead, and a further protective covering of impregnated jute and of spirally wound steel wire is applied.

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LOHR URGES 3-YEAR LICENSES IN D.C. ADDRESS

Emphasizing that freedom of the air has become a cardinal requirement of our deomcratic Government, just as have freedom of speech and freedom of the press, Lenox R. Lohr, President of the National Broadcasting Company, told a round table session of the United States Chamber of Commerce meeting this week in Washington that issuance of Federal broadcasting licenses should be on a three-year rather than a six-months basis.

The longer period, Mr. Lohr said, "would materially aid stabilization within the industry, would stimulate investment in improved technical facilities, and would place broadcasting on a sound basis rather than that of a gamble."

Mr. Lohr granted the necessity of Government regulation, pointed out there is no other agency to do it and that the industry itself is not fitted to assume the task.

The radio executive described the importance of keeping its news services "on top" of developments throughout the world and of efforts made to give all sides of controversial subjects equal opportunity to present their views. Extremely close scrutiny is given all material to be broadcast, he said.

"It is routine", he said, "to check scripts for violation of the laws of blasphemy, profanity, libel and for compliance with the stipulation of the Federal Trade Commission against misleading or false statements about products. All testimonials are carefully scrutinized, likewise the overplay of insobriety and jokes playing upon physical and mental infirmities which might afford embarrassment and humiliation to afflicted listeners. We do not permit references to races or racial characteristics that border on indignity, or the delineations of suicides, or descriptions of unlawful practices, such as safe-cracking or counterfeiting."

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PAYNE REPLIES TO SARNOFF CRITICISM

Federal Communications Commissioner George Henry Payne this week launched a counter attack on criticisms of Government regulation of radio by David Sarnoff, President of the Radio Corporation of America, last week.

Commissioner Payne, speaking at the National Academy of Broadcasting in Washington, described Mr. Sarnoff's attack as "amazing because of its disregard of the facts and its defiance of public opinion".

Declaring the only answer to Mr. Sarnoff was "the long needed Congressional investigation", Commissioner Payne called Mr. Sarnoff's speech "evidence of the organized movement of the radio monopoly to mould public opinion to its will, and to control, not only the radio industry, but the Federal Communications Commission."

"From the head of the company that was responsible for the Mae West broadcast, one might well have expected a milder note. There is not a word of apology for the blood curdling programs that do harm to children, nor for the character of the programs that have been described in many places as moronic and fit only for the intellect of a child of 12."

Mr. Sarnoff charged that the present system of granting radio licenses for six-month periods "leaves the door open for indirect and insidious Government censorship." He added that "freedom of the air is inseparable from the freedom of thought, of speech, of worship, of education and of the press."

Of the plea for a longer licensing period, Commissioner Payne said, "even with the present six-month period, the broadcasters, as a class, have become negligent of the public interest and arrogant.

"They are filling the air with trivial programs and are conditioning the public to like these programs. They are filling our homes with propaganda and the blare of advertising. I readily admit, and am glad to do so, that a few of the radio programs are worthy of the intelligence of the public, but the vast majority are either silly or degrading."

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5/6/38

U. S. RADIO DEFENDED IN LUNCHEON TALKS

Informed public opinion in this country is rising spontaneously to the defense of American broadcasting methods as opposed to Government-dictated systems in Europe, Paul W. Kesten, Vice-President of the Columbia Broadcasting System this week told the Women's National Radio Committee at its Fourth Annual Awards Luncheon at the St. Regis Hotel in New York City.

Other speakers at the luncheon included David Sarnoff, President of the Radio Corporation of America; Alfred J. McCosker, President of the Bamberger Broadcasting Company and Chairman of the Board of the Mutual Broadcasting System; Commander T.A.M. Craven, member of the Federal Communications Commission; Mrs. William H. Corwith, Chairman of the Survey Committee of the Women's National Radio Committee; Edward Johnson, General Manager of the Metropolitan Opera Association; and Mrs. Vincent Astor.

During the past ten days, Mr. Kesten pointed out, at least half a dozen spokesmen, none associated with broadcast management and each representing a different section of public opinion, have come forward independently of one another to answer critics of broadcast service in this country.

As a reply to various arguments heard against the American system, Mr. Kesten quoted President Franklin D. Roosevelt, Daniel C. Roper, Secretary of Commerce; Grenville Clark, New York attorney and a recent speaker before the National Newspaper Publishers' Association; Deems Taylor, music critic and composer, and an article appearing in the May issue of Fortune Magazine.

Mr. McCosker also came to the defense of radio in a reply to critics.

"It has become rather a hobby lately to condemn radio - to deprecate its efforts, to disparage its results", he said. "I believe this attitude, on the part of certain well meaning critical people, has grown out of confusion, and the confusion lies in mistaking growing pains for disintegration.

"You know, I can't help feeling that some of radio's critics have a stereotyped notion of just what education is. They think of speeches, of hours of erudite talk. . . . that is education if pwople will listen to hours of learned talk. We all know you can't force radio listeners to be educated. But, there are other ways.

"If you'll remember back to your school days, the best teacher was usually the best showman - the person who combined education with mental stimulation. But above all the best teacher was the person who made his or her subject entertaining.

"So, when we talk of education in radio today, we must talk also of entertainment."

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SCHOOL CHILDREN'S RADIO TASTE POOR

High school children spend too much of their spare time listening to the radio and show very little discrimination in the type of program they enjoy, according to the results of a radio survey carried on in the New York City school system, the New York Times reported this week.

Conducted at the Abraham Lincoln High School, the survey tested the tastes and preferences of 988 boys and girls. It was found that children spend on the average 2 hours and 5 minutes each day listening to the radio, while they spend only 1 hour and 20 minutes on their reading.

It is a "sad" fact, the report declares, that most of the listening is on a "generally low plane". Good educational programs hold little appeal to the students.

"The lack of discrimination in radio fare can be laid directly at the door of the school system, which has thus far done little or nother to develop standards for judging the worth of the radio programs", the report points out. "The critical faculty has received even less nurture from radio sponsors."

"Radio is an inseparable part of their existence and must be brought into the curriculum somehow", the survey contends. "Failure to do this is to neglect an area of pupil experience that plays a significant role in the pupil's life."

Schools should be concerned with the necessity of making students "alive and intelligent listeners", the survey holds. It may be necessary, it continues, that educational broadcasts, to capture a wide audience, will have to utilize the "dramatic sensationalism" of some of the more popular programs.

About 75 percent of the students declared that they found the radio helpful in school work.

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TRADE NOTES

David Sarnoff, President of the Radio Corporation of America, released for publication this week the statement of income of the Radio Corporation of America and subsidiaries for the first quarter of 1938, ending March 31. The statement shows a net profit for the quarter of $1,437,800, as compared with $2,243,057 for the corresponding period in 1937.

"Television: A Struggle for Power", written by Frank C. Waldrop and Joseph Borkin, will be published May 11th by William Morrow & Co., of New York. The book carries an introduction by George Henry Payne, Federal Communications Commissioner.

Charles G. Daughters, Executive Secretary of the National Sponsoring Committee of the Freedom of Opportunity Legion, with present headquarters at Berne, Indiana, filed with the Federal Communications Commission this week a complaint against Radio Station WOWO, of Ft. Wayne, Indiana, owned and operated by Westinghouse Radio Stations, Inc., of Pittsburgh. The complaint alleges that Station WOWO is acting to suppress free speech and in restraint of freedom of the air in refusing the Freedom of Opportunity Legion's request for time on the air.

The service of the National Broadcasting Company's Blue Network to radio listeners in western Iowa and eastern Nebraska was markedly improved on May 1st when Station KMA, Shenandoah, Ia., became an NBC affiliate. KMA, owned and operated by the May Seed & Nursery Co. increased the Blue Network audience by more than 160,000 radio families.

Gross time sales on the Columbia Network for April, the second largest April in network history, totaled $2,424,180. This shows a slight decrease from last April (5.4%), but the $2,563,478 total for April, 1937, contrary to the usual trend in network billings, was greater than any of the three Winter months preceding it. Cumulative total for the first four months of 1938 reached $11,018,777, a 12.8% increase over the corresponding period of 1937.

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No. 1124

May 10, 1938.

WHITE RADIO INQUIRY RESOLUTION IS REPORTED

The Senate Audit and Control Committee reported without recommendation Tuesday the White resolution authorizing the Senate Interstate and Commerce Committee to make an investigation of the broadcasting industry and the FCC.

This action places the question of whether a Senate probe is to be conducted squarely up to the Senate itself. Senator White (Republican), of Maine, is expected to take the floor within a few days and make an appeal for approval of the resolution.

Should an inquiry be ordered, it is unlikely that it would get under way until after Congress adjourns if present plans for a June 1st adjournment materialize.

The White resolution directs the Senate Interstate Commerce, which has previously approved the resolution, to make a special study of the report on the following subjects:

"(1) The cases if any in which the Commission has departed from or has modified the application of its regulations and the engineering and other standards generally observed by it, together with the reasons for each such departure or modification;

"(2) All acts by the Commission which recognize or seem to recognize the right of a licensee to a license or a frequency other than as specified in the terms, conditions, and time of the license;

"(3) Whether the acts and decisions of the Commission in broadcasting cases have been influenced by matters not apparent in the public records;

"(4) The geographical distribution of broadcasting facilities and whether there is an equitable distribution of broadcast service to all parts of the country and, if not, what steps should be taken to provide fair and equitable service throughout the United States.

"(5) The extent to which broadcast stations have been concentrated in the larger communities of the country by transfer of stations from smaller communities to such centers or otherwise;

"(6) The extent to which and the circumstances under which the ownership, control, management, or interest in more than a single broadcast station has passed into the hands of any person or group of persons;

"(7) The circumstances surrounding and the considerations for the voluntary transfer of station licenses or construction permits;

"(8) Instances of the transfer of minority interests in broadcasting-station licenses, and all transactions directly or indirectly affecting the control of such licensees, and whether said transfers have or have not been submitted to the Commission for approval and have received Commission approval or acquiescence;

"(9) The sale price of any broadcasting station in any manner sold and transferred, together with a statement of the fair value of the physical assets and of other property, rights, contracts, and licenses involved in said sales, and in particular the value placed by the parties to the transaction upon the frequency licensed to be used;

"(10) The sale of stock or other securities of any broadcasting stations, of any licensees, or of any person or persons directly or indirectly controlling such licensees, and the valuation put by the person transferring the same upon the station license or the frequency, the power or the hours of operation fixed in the station license, and the circumstances surrounding and the consideration for such sales and transfers and as to the participation in the negotiations for such sales and transfers by any person other than the seller and purchaser, the transferor and the transferee;

"(11) The licensing of broadcast stations to persons other than the owners of the physical equipment, and in particular all cases involving the leasing of transmitting equipment;

"(12) The surrender of control of facilities by licensees, including all agreements to accept proffered programs with or without supervision by the licensee;

"(13) All acts or assertions by broadcast-station licensees which involve the claim to any right or interest beyond the terms, conditions, and periods of the license;

"(14) Whether considerations have been paid or promised to any licensee or permittee for not interposing objection to an application for all or a part of his facilities or for other facilities which could not be granted without disregard for the Commission's rules or its standards except with the consent of such licensee or permittee;

"(15) All cases in which persons, whose applications for the renewal of a broadcasting license have been refused by the Commission, have received from persons licensed to use the facilities for which renewal of license has been refused money or other consideration in excess of the value of the physical equipment taken off the air and sold to the new licensee;

"(16) Cases in which the real parties in interest in any application for broadcast facilities have not been disclosed to the Commission;

"(17) The extent to which holding or other intermediate companies or persons have been employed in the ownership or control of broadcast stations and the effect of such intermediate ownership or control upon the effective regulation of broadcasting;

"(18) The investments by licensees in the stations authorized to be operated by them, including the investment in equipment and in other items of cost;

"(19) The charges for the use of station facilities and the profit or loss resulting therefrom;

"(20) The extent to which broadcast stations are used to build up other businesses or enterprises in which the station licensees or persons financially interested in the licensees are engaged, the extent to which the facilities of broadcast stations are refused or are granted conditionally to competitors of such other businesses or enterprises, and the effect of the ownership and use of such radio facilities upon the businesses of those in competition with the businesses of those having the radio facilities;

"(21) The extent to which broadcast stations are owned or controlled by or are affiliated with newspapers or other media of information or entertainment, and the effect of such ownership, control, or affiliation upon competing newspapers not possessing such facilities and upon the public interest;

"(22) The development and present facts concerning broadcasting networks or chains, including the effects of chain association upon the licensee's control over his station;

"(23) The effect of chain operations upon the financial results and status of chain affiliated stations and independent stations, the ability of the chain owned or affiliated station to render a local service, both sustaining and commercial and the duplication of broadcast programs; and the desirability of special regulations governing chains and stations engaged in chain broadcasting;

"(24) The extent to which licensees of broadcast stations censor or refuse programs offered to them for transmission and the reasons for and the effects of such censorship or refusal;

"(25) The extent to which, the basis upon which, and the times at which broadcast stations carry programs relating to public affairs, education, religion, labor agriculture, charity, and public service generally;

"(26) The extent to which and basis upon which broadcast stations carry programs offered by or on behalf of candidates for public office or programs relating to controversial subjects in the field of national, State, or local politics; and

"(27) The extent to which, the basis upon which, the manner in which, and the times at which broadcast stations are used for commercial programs including programs advertising products claimed to have medicinal or therapeutic value and programs relating to products or services, the sale or use of which may be illegal in any State in which the programs of the station carrying such programs may be received, the time given by the several classes of stations to commercial advertising or sales talk in the programs broadcast and whether there should be control or regulation of advertising by radio and the character and extent thereof."

The committee is further authorized and directed to make and report to the Senate the facts with respect to:

"(1) Competition between wire companies in communication between the United States and foreign countries, between radio companies in such foreign communication, and between wire and radio companies in this field of foreign communication.

"(2) Instances in which the Commission has granted licenses for transmission in foreign communication or has refused or withheld action upon applications for licenses and frequencies in this field of communication, and whether such action by the Commission or its nonaction, has been with the purpose or has had the effect of aiding one company in this branch of communications or of destroying or lessening competition between American companies in foreign communication.

"(3) The extent to which companies engaged in radio communication between the United States and any foreign country have entered into exclusive traffic arrangements or other agreements with the purpose or effect of securing a monopoly in such communication or of lessening competition therein and the effect of such arrangements or agreements upon competing American companies."

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SARNOFF ASKS U.S. RADIO POLICY, RAPS WHEELER BILL

The need for a "basic communications policy" for the United States was set forth by David Sarnoff, President of the Radio Corporation of America, this week in a statement opposing the Wheeler bill before the Senate Interstate Commerce Committee.

The Wheeler bill would require the FCC as a fixed policy of law to foster competition in foreign communications. The measure is an outgrowth of the fight between RCA and the Mackay Radio & Telegraph Company in which the latter has lost decisions before the Commission and in the courts.

"The communication facilities of the United States are essential to its safety, to the freedom of its international relations, and to the promotion of its commerce", Mr. Sarnoff said. "There can be no doubt about your desire to protect them jealously against any attack upon their independence or their opportunity to develop.

"All communication companies face the fact that the United States needs a basic communications policy. That need has been urged by many persons and on many occasions. The present hearing emphasizes that need anew. Congress has not yet established such a fundamental policy. It has, however, set up a Federal Communications Commission and has given to that body certain duties and powers concerning domestic and foreign communications.

"Now there is before you a bill to change the present law by a brief amendment which would not establish a national communications policy but would prevent the Commission from acting upon its own findings concerning public interest, convenience and necessity.

"This bill would require the Federal Communications Commission to decree that duplicate radio telegraph circuits should be established in international communications, without inquiring whether either the new competitor or the old could survive, regardless of whether the rate-paying public would be helped or harmed by this rivalry; regardless of whether the new art of radio might thus be put in jeopardy by the power of its wire and cable competitors.

"Under the existing law, it is the duty of the Commission to decide whether public interest, convenience, or necessity would be served by authorizing the duplication of facilities. The proposed law would change all that. It would tell the Commission that regardless of existing competition, direct or indirect, by other American carriers operating to any foreign country, licenses must be issued for duplicate radio services even though the applicant for a license is, in fact, a cable competitor already well entrenched in the field.

"By all means let us have competition where it will serve the public interest, convenience, and necessity. But let us not try to force competition in international communications where it cannot serve and may even injure the national public interest.

"We now have keen competition between radio and cables. The bill before you, if enacted into law, would seriously weaken radio in that competition, and would transfer the control of our international radio communications from Americans to foreigners.

"The company I represent is not seeking to avoid competition. We are merely trying to avoid wasteful duplication of facilities that would benefit no American user."

"There can only be true competition when there are independent and competing foreigners, each of whom can establish a circuit with an independent and competing American. In such a case there would be genuine competition. But no such competition will result if the proposed amendment is carried into the law.

"The enactment of the present proposal would place American communication agencies at the mercy of foreigners. It would require additional facilities regardless of existing facilities and the adequacy of traffic to support them. It would constitute a handicap to the development of radio communication in the United States and would not serve the interests of the American public.

"I respectfully recommend that Congress take steps to formulate a National Communications Policy, based on a careful study of the vital national questions involved. Such a study may well be made by a Committee of the Congress or by the Federal Communications Commission.

"Those undertaking this study should also consider the new situation created for those outside the British Empire by the changes announced only two weeks ago, under which the British Government has become the principal stockholder in the British Cable and Wireless Company. That company has a monopoly of the British international communications, both by cable and radio. It announced a sweeping reduction of rates within the Empire effective April 25, 1938. The new British plans and rates may have a profound effect upon American communications and American commerce.

"On every hand we have new evidence of the pressing need for an American communications policy. The new developments in the radio art, as well as the fast-changing political conditions throughout the world - new alignments - new conflicts - new trade policies - new military agreements - all make the independence of American communications essential to our peace and our prosperity."

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NEWSPAPERS SELL AD MENTIONS IN PROGRAMS

More than a hundred newspapers in cities of 100,000 population or more have already agreed to a plan of selling advertising mentions in their radio programs, the Lahey-Daly Company, New York advertising concern, has announced, according to Editor & Publisher.

The plan calls for continuing the program as an editorial feature, but including in parenthesis the name of the advertiser or product when ordered. An asterisk beside the trade name would refer to the word "Advertisement" below. A sample program looks like this:

1:00

WEAF - Weather reports.
WOR - Health talk. (*Borden's Milk)
WJZ - Farm and home hour.
WABC - Betty and Bob, sketch; Betty Crocker, "Cooking" (*Crisco)
WHN - Singin' Sam. *Oxydol)
*Advertisement.

Thomas F. Daly, partner in the firm, said the first order for insertion had already been received, for a West Coast program. He is suggesting to advertisers that they set aside 2% of their radio program costs for newspaper advertising of this kind, using all newspapers available in their broadcast territory, and repeating for each broadcast. Since network time is sold for at least 13 weeks at a time, the newspaper advertising would run at least that long. In addition, he predicted that newspapers would be able to sell local advertisers on the plan.

Lahey-Daly Company, acting as publishers' representative for this type of advertising, would collect a commission of 10% on billings. Rates set by newspapers thus far range from $1.00 to $3.50.

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RADIO TRADE STATISTICS NEARING COMPLETION

The fourth annual statistical number of "Electrical and Radio World Trade News" is now nearing completion and will be sent to all subscribers when issued, the Bureau of Foreign and Domestic Commerce announces. It contains statistical tabulations of electrical appliances and radio sales for the year 1937 - statistics of the electric power industry in the United States - statistics of the electric power industry in all foreign countries - details of the broadcasting industry - statistics showing U.S. exports of electrical and radio goods for 1937 and prior years. Single copies may be purchased for ten cents each.

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NEW LOUISVILLE STATION GETS EXAMINER APPROVAL

Construction of a new broadcasting station in Louisville, to operate purely as a local outlet, was recommended this week by Examiner John P. Bramhall in a report to the Federal Communications Commission on the application of the Kentucky Broadcasting Corporation.

The requested assignment is 1210 kc., with 100-250 watts power, unlimited time.

Stations now operating in Louisville are WHAS, a CBS outlet, and WAVE, an NBC outlet.

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CUBAN DECREE REGULATES RADIO NEWS BROADCASTS

A decree recently promulgated by the Cuban Government places radio news broadcasts and commentators under governmental supervision. The principal provisions of the decree follow:

"The transmission of information of a political, social, economic or other character, as also commentaries of all kinds by radio, may be made only by so-called 'periodicos aeros' (radio newspapers) duly registered in the Department of Communications.

"Before making a broadcast the operator of the station must obtain from the person making the broadcast an exact copy of the text of the material to be transmitted. This copy must be submitted to the Direccion de Radio (Radio Bureau) within 24 hours after the broadcast. An exception is made in the case of speeches pronounced before public reunions.

"The operator of a broadcasting station must suspend the broadcast whenever it is observed that the matter being broadcast differs from the text of the aforementioned copy.

"The Department of Communications will maintain a Registro de Periodicos Aereos y Programas Informativas (Register of Radio Newspapers and Informative Programs) in which must be noted the names, musical themes or designations used to identify these radio newspapers, etc. with schedules of broadcast hours. Applicants for registry must give information on the organization of the radio newspaper showing that this is the same in each case as that of the respective printed newspaper."

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5/10/38

CURB ON RADIO REGULATION URGED BY HETTINGER

The Federal Communications Commission should not seek to control either programs or rates of broadcasting stations in the opinion of Dr. Herman S. Hettinger, of the University of Pennsylvania, who was hired by the FCC two years ago to make a study of the economic factors of radio regulation.

Dr. Hettinger's report was never made public by the Commission, and it is understood that some of its conclusions were rejected by Commdr. T.A.M. Craven, then Chief Engineer, in drafting his report on the same subject.

The views of Dr. Hettinger, who has been associated with radio matters for several years, are set forth in an article in the April issue of "Air Law Review", which is edited by Alison Reppy, Professor of Law at New York University.

His conclusions on the subjects of program and rate control are summarized in the following statements:

"Avoiding entirely the question of how far program control can be carried before it becomes de facto censorship, one observation is a propos. Art thrives upon competition and spontaneity of ideas. One cannot regulate mediocrity out of existence. At best one can supplant one mediocrity with another. The mediocrity of the school-room is as deadly as that of the entertainment field, if of a different sort, and both fields are in equal need of brains and enterprise. All that regulatory authority can do to assist radio as an art is (1) to safeguard the public with regard to freedom of speech, and from indecent and obscene language and material, and (2) to maintain the competitive vitality of broadcasting as a whole so that the best possible program service will result."

"One is therefore forced to the following conclusions: (1) rates exert no important effect upon quality of service rendered the public, since competition with other media affords a corrective; (2) attempts at rate regulation would tend to give rise to greater problems with respect to the public interest than those which they would solve; and (3) since the interest of government is merely to ensure a quality of program and technical service in the public interest, it is more important to determine how the returns from the economic operation of broadcasting are applied than what they are."

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NON-RESIDENCE NO BAR TO RADIO APPLICATION

The Federal Communications Commission received a major set-back this week in the form of an opinion by the United States Court of Appeals, which instructed the Commission to consider factors that were rejected in a hearing on an application to establish a radio broadcasting company in Pennsylvania.

The Pottsville Broadcasting Co. was denied its application to establish a station in Pottsville, Pa. though an Examiner had approved it. According to the opinion, the Commission rejected the application on the grounds that Charles B. Drayton, local attorney and a majority stockholder, was not a resident of the Pottsville District and did not know the needs of the area, and, secondly, that Drayton testified that subscription for the stock of the corporation was contingent upon approval of the Pennsylvania Securities Commission.

The Appellate Court said that the corporation was chartered in Maryland and did not need Pennsylvania approval and secondly that in the past the FCC had not laid down a hard-and fast rule as to the rights of non-residents who sought radio rights.

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CHINESE BROADCASTING STATIONS AT SHANGHAI CLOSE

Fourteen privately owned Chinese commercial broadcasting stations at Shanghai voluntarily suspended operations on April 28, according to a radiogram to the Regional Information Division, Bureau of Foreign and Domestic Commerce from the office of the American Commercial Attache at Shanghai.

The stations, which were located in the International Settlement, declared their action as a protest against the registration and censorship requirements of the Japanese authorities, the report stated. However the broadcasters claim that they have voluntarily filed with the Shanghai Municipal Council, information which is desired by the authorities and negotiations are still pending for the restoration of the service.

Foreign broadcasting stations have been unaffected so far, but one Chinese-American owned station has been leased to an American newspaper, it was reported.

Shanghai tramways are now running at 65 percent normal, although resumption of passenger service through the North and East areas of the International Settlement has not yet been arranged with the Japanese authorities, according to the report.

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NON-RESIDENTS NO BAR TO RADIO APPLICATION

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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RADIO TAKES SPOTLIGHT AS CONGRESS NEARS END

After being shoved to the background for almost the entire session of Congress, radio suddenly took the spotlight this week as Congress pondered demands for investigations and plans for a Pan American short-wave station and the Inter-Departmental Committee named by the President prepared to submit its report to the White House on international broadcasting.

The House Rules Committee, which had pigeon-holed resolutions for radio investigations, suddenly scheduled hearings and listened to grave charges (see story elsewhere in this issue) but deferred its decision.

With the White resolution on the Senate calendar, it appeared likely that the Senate would engage in a debate on the subject before it adjourns and possibly next week.

Meanwhile, the Inter-Departmental Committee headed by Frank R. McNinch, Chairman of the Federal Communications Commission, prepared to submit its factual findings regarding short-wave broadcasts to the Latin Americas by European nations, especially Germany and Italy, and the broadcasts emanating from privately-owned short-wave stations in the United States.

As forecast by the Heinl News Service, the report makes no definite recommendation as to what action the Administration should take to combat the foreign propaganda on the ether waves. It is understood to point to the possibilities but the choice is left to the President.

The Committee, it is understood, decided that it is a matter of policy that the President himself should pass upon whether or not the Government should construct and operate its own international station or utilize the services of privately-owned transmitters now using frequencies lent to them.

As the report was being completed, a sub-committee of the Senate Interstate Commerce Committee opened hearings on the McAdoo-Chavez Bill to authorize construction of a $3,000,000 Government-owned Pan American short-wave station in California. Senator Bone (D.), of Washington, was presiding.

Another sub-committee of the Senate Interstate Commerce Committee was delving into the row between the Radio Corporation of America and the Mackay Radio & Telegraph Company over foreign radio communications permits.

On the outcome of this legislation will depend future of these companies and the national policy of the United States relative to international competition. Officials of both companies testifiee that the Wheeler Bill meant their life or death in the foreign communications field.

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SENATORS' BRIBE CHARGED AS HOUSE RADIO HEARINGS OPEN

Members of the House who have been demanding a Congressional radio investigation for the past two years opened a hearing before the Rules Committee with a bang on Thursday by making charges that two unnamed former U. S. Senators had taken bribes to protect a radio monopoly in 1932.

The charge was made by Representative McFarlane (D.), of Texas, who has become the most persistent critic of the Federal Communications Commission and what he terms the "radio monopoly" since the death of Representative William Connery (D.), of Massachusetts.

The House Rules Committee, which is considering five resolutions calling for Congressional investigations of the radio industry, reached no decision and indicated it will hold further hearings next week.

Representative McFarlane told the Rules Committee that the Senators were paid money to "interfere" with the Justice Department case brought in the Federal courts in Wilmington, Del.

Excerpts from his statement, which later was inserted in the Congressional Record, follow:

"It has been my thought for some time to present to the House certain information including data in affidavit form which conclusively suggests the existence of a criminal conspiracy which not only debauched a large corporation, persons holding high public offices but also certain court officials. I have been in doubt as to whether to move impeachment proceedings, or to await action on the part of this committee.

"The information I refer to concerns the payment of money in cash to elected representatives of the people for interference with the activities of the Department of Justice; activities which brought forth a consent decree from a District Court. This action benefitted officials of this radio corporation dependent for its existence upon the gratuitious radio licenses which it has received from the Government of the United States.

"I want to say, Mr. Chairman, that I have checked the contents of this affidavit in two separate manners, and while I have not made nor been in a position to make the type of an

investigation which is necessary, I want to say that both checks verified the statements made in the affidavit. That a monopoly exists there can be no doubt. You, Mr. Chairman, on the floor of Congress, admitted that you knew such monopoly existed. All forty clear channels, almost all regional high power stations, almost all radio stations that extend beyond the jurisdiction of one community are owned, controlled or operated in the interest of, or by the radio monopoly.

"An illustration of the legal hi-jacking indulged in by this particular corporation is evidenced by the manner in which they black-jacked the American Telephone & Telegraph Co., another monopoly, into permitting them to share the profits of the sound motion picture field.

"I have here a photostatic copy of the Bill of Complaint wherein the attorney for RCA printed a bill of complaint alleging monopoly and illegal restraint of trade on the part of the A.T.&T. and instead of filing it in the courts as was presumably intended, sent it to the attorneys for the A.T. & T. which resulted in the attorneys for both monopolies agreeing to share the field. The allegations of monopoly and restraint of trade contained in this photostatic copy of the bill of complaint prepared for use of RCA is just as true today in the case of telephone, as it was and is today in the case of RCA.

"Mr. Chairman, I hold in my hand a very exhaustive financial analysis of the financial set-up and condition of RCA as of May 28, 1936.

"The signer of this document is recognized as competent and has or had a good standing in the financial world. His work was considered so sufficiently good, that following this analysis of RCA, I understand, that Mr. Sarnoff, who in this report is indicted most severely, as incapable and inefficient, has hired him as a financial analysist for RCA. This auditor's report indicates that RCA officials have defrauded common stockholders to an extent of millions of dollars; have issued false financial reports to stock holders and to the public; have paid preferred stock holders dividends of $28,000,000 on earnings of only $11,700,000; that 6,580,375 shares of stock with a value at date of issue of $290,000,000 were issued to General Electric and Westinghouse for assets stated to have been worth $39,900,000. This $39,900,000 was subsequently written down to some $24,000,000; that preferred stock with redemption value of $80,000,000 and an annual dividend rate of more than $4,000,000 was issued by RCA in consideration of some $17,000,000. That dividends have been paid on preferred stock when the corporation's earnings had been dissipated and prior surplus had been wiped out and capital impaired to the extent of some $16,000,000.

"This report also shows that RCA issued $2,000,000 shares of stock to General Electric and Westinghouse in supposed consideration of a valuable exclusive contract. When RCA put over the infamous so-called consent decree in the Federal Court at

Wilmington, November 21, 1932, they found it necessary to cancel this agreement. But there is no indication that the 2,000,000 shares of stock issued in consideration of this supposed valuable agreement has ever been returned to RCA for their stockholders."

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WHEELER BILL WOULD DESTROY RCAC, SAYS MANAGER

Enactment into law of the Wheeler Bill to require the Federal Communications Commission to foster competition in foreign radio communications as a national policy would cause the eventual destruction of the R.C.A. Communications, Inc., W. A. Winterbottom, Vice-President and General Manager, told the Senate Interstate Commerce Committee this week.

"If you pass this bill", he said, "you blaze a new trail which will inevitably lead to the destruction of the RCAC service."

Mr. Winterbottom outlined at some length the history of the row between RCA and the Mackay Radio & Telegraph Company over foreign communications permits.

"Remember that R.C.A. Communications is a small company as compared with either the International System or the Western Union", he said, "and that it is exclusively a radio company. Remember, too, that we serve only 12 cities in the United States, and that we are dependent upon the landline systems of our competitors, to pick up and deliver our messages at all other points.

"RCAC is solely a radio company and is neither controlled nor dominated by the wire line or cable companies, of which it is a natural competitor. Neither directly nor indirectly does it have any directors in common with Western Union, with the American Telephone & Telegraph Company, or with any of the International System companies. Nor, is there any joint stock ownership.

"RCA has pioneered and struggled for twenty years to establish an independent system of radio telegraph communication competing with the entrenched cable companies so that the people of the United States might enjoy the advantages of cheaper communication with the rest of the world. It now operates to some 45 foreign capitals and thence to all other cities in the world. There is no place where RCA service does not now reach directly or indirectly. We reach directly but few points in the United States and usually but a single point in any foreign country but our services are not inefficient by reason of the fact that they are for the most part indirect."

Loyd A. Briggs, European Communications Manager of RCAC, who came to the United States especially to testify at the Senate hearing, said among other things:

"It seems evident to me that the only result possible and inevitable from forcing competition between American companies in dealing with a single foreign agency must be that the American companies in their competition will be compelled in self preservation to give way financially and strategically to the demands of the foreign administration, not only to the point of operating unprofitably but even beyond that to the point of operating such circuits at an actual loss.

"Such forced competition benefits only the foreigner, it brings no advantages to the American user, it weakens the American companies individually and collectively, not only financially but also in their independence of foreign domination, and it impairs their ability to act in accordance with American policy and in the public interests of the United States."

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MACKAY HOLDS WHEELER BILL IS URGENT

The Mackay Radio and Telegraph Company told the Senate Interstate Commerce Committee this week that immediate legislation was necessary to prevent the concern from being eliminated as a competitor in the foreign radio communications field.

Howard L. Kern, general counsel for Mackay, testifying at hearings on the Wheeler Bill, urged enactment of legislation which would declare competition in foreign radio communication to be "in the public interest."

He said R.C.A. Communications, Inc., held a "monopolistic position" in the foreign communications field which Mackay could not invade without a direction from Congress to the Federal Communications Commission.

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PALEY'S SALARY AND BONUS $190,196

William S. Paley drew salary and bonus of $190,196 as President of the Columbia Broadcasting System in 1937, a Columbia report to the Securities Exchange Commission disclosed this week. Included in the sum was a bonus of $149,295.

Edward Klauber, Vice-President, drew aggregate remuneration of $80,540, including a bonus of $39,840.

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82% OF U.S. FAMILIES OWN RADIO, SURVEY SHOWS

The number of families in the United States owning radio sets as of January 1, 1938, is estimated at 26,666,500, or 82 percent of the families of the nation, according to tabulations of the Joint Committee on Radio Research released this week.

This is an increase of 17 percent over the 1936 estimate of the Committee, which was organized jointly by advertisers, advertising agencies, and broadcasters. Its first report was made in 1936.

The 1938 count "does not represent the total number of radio sets in use", the report states, "there being many more than one radio in many homes, and sets in automobiles, and in stores, restaurants, institutions, etc. The figure 26,666,500 represents the number of homes having at least one radio."

"Families with radio sets out of order for more than six months are not defined as radio families and therefore are not included in the figure presented. Sets temporarily out of order (less than six months) amount to approximately 4% and are included in the figure of 26,666,500."

The Committee in making its estimate utilized new radio ownership information, collected by two surveys during 1937. One of these was the rural survey conducted by the Committee in the Fall of 1937 and financed by the Columbia Broadcasting System and the National Broadcasting Company. The other, an urban survey made for the Columbia Broadcasting System by Daniel Starch, was made available to the Committee.

"These data were in sufficient detail to permit of directly estimating state and county figures", the report stated, "without resorting to multiple correlation. Although this represents an improvement in method of estimating, the Joint Committee emphasizes that the figures of radio families published herewith are estimates with which there are no actual figures to compare. They constitute approximations at best and should not be looked upon as being exact measurements.

"In analyzing these data, the Committee has had the cooperation of various individuals and organizations who have conducted research in the number and distribution of families owning radios, particularly Dr. George Gallup and the Institute of Public Opinion, Fortune Magazine's Quarterly Survey, Dr. O. H. Caldwell of the publication Radio Today, the publication Radio Retailing. Several individual city surveys covering radio ownership were also available."

The Committee released figures of radio families by State and county. State figures are presented by census classifications - urban (cities over 2,500 population) and rural (farms and villages under 2,500 population).

"The rural survey conducted by the Joint Committee on Radio Research in November, 1937", the report stated,"consisted of 20,763 personal interviews distributed in every State of the United States. A report of this survey is being prepared for release and in it a description of the method will be set forth. In the interpretation of this information, weighting has been given economic classification of families, Negro families in the South, the number of families on farms and in rural towns of less than 2,500 population to produce State estimates. The uniform application of State rural radio ownership percentages to county rural family estimates produced county figures.

"In order to interpret the findings of the two surveys it was necessary to establish an up-to-date estimate of the number of families in the United States. Members of the Committee contacted Census, Department of Agriculture and other government officials to obtain their advice as to the best procedure in making such an estimate."

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CHAVEZ ASSAILS ROME-BERLIN RADIO PROPAGANDA

Assailing propaganda broadcasts to the Latin Americas from Rome and Berlin, Senator Chavez (D.), of New Mexico, urged construction of a $3,000,000 Government-owned Pan American short-wave station in California, this week as hearings opened before a sub-committee of the Senate Interstate Commerce Committee.

A similar bill to authorize construction of an international station near Washington, D. C., is pending before the House Naval Affairs Committee.

"Italy and Germany every day and every night are sending propaganda to South America in the Spanish and Portuguese languages", said Senator Chavez, "and they are telling the people of South America how much they love them and their culture. They are undermining everything the United States is doing to create good-will in the South American countries."

Senator Bone converted the hearing into a conference in which Senators McAdoo and Chavez, representatives of the Federal Communications Commission, the Navy Department and other agencies of the government whose functions involve in one way or another radio activities participated.

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EX-MAYOR OF LOUISVILLE MENTIONED FOR NAB CHIEF

"Neville Miller, Mayor of Louisville, Ky., during the 1937 flood and now a member of the faculty of Princeton University, is favored by insiders for the post of President of the National Association of Broadcasters", according to James McMullen, writing for the McClure Newspaper Syndicate. "Among others mentioned are Dean James M. Landis of the Harvard Law School and Senator Wallace H. White, of Maine.

"This job, held temporarily by Mark Ethridge, constitutes a kind of czarship over the whole radio industry. The pay will be $25,000 a year, the powers plenary. The NAB has been newly organized to produce order out of a situation which was pretty chaotic.

"No appointment of a permanent president was expected until Fall. But Ethridge's eagerness to quit his temporary post is likely to hurry it along, and the Executive Committee will meet this week or next. Miller is a dark horse whose name has not appeared in any of the published lists of possibilities. But home-town association with Ethridge makes him a good bet, although the president pro tem is backing none of the fifty-odd candidates."

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McDONALD ENTERTAINS NEWS MEN ON "MIZPAH"

Commander Eugene F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, entertained members of the Gridiron Club, members of the Federal Communications Commission, and other friends Wednesday night on a four-hour cruise down the Potomac River aboard his 185-foot yacht, the "Mizpah".

Commander McDonald brought his yacht to the Washington Navy Yard especially for the trip en route to Chicago after a Winter tour in Southern seas.

Commissioners Eugene O. Sykes, T.A.M. Craven, Thad H. Brown were particularly interested in the elaborate radio equipment aboard the yacht.

Among other guests, besides newspaper men, were Minority Leader Bertrand Snell, of New York; Representative Kent Keller (Democrat), of Illinois; Gutzon Borglum, the sculptor and Maj. Gen. Thomas Holcomb, Commandant of the Marine Corps.

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TELEVISION SET READY FOR MARKET AT "ABOUT $125"

The first television receiver to be placed on the market in this country was demonstrated in New York City this week by Charles H. Sternfeld, Vice-President of Communications Systems, Inc., which produced the model to sell for "about $125".

That the demonstration was successful was attested to by the New York Times, which stated:

"A 9-tube television set of simplified design that intercepts pictures but not the accompanying sound was demonstrated yesterday afternoon for more than an hour as it clearly tuned in a test broadcast from the Empire State Building television transmitter.

"In this 'video' receiver, which is of the table model type, housed in a cabinet twenty-two inches high, the television pictures were viewed on a 3-inch cathode ray tube. Also demonstrated was an 11-tube console receiver having a 5-inch cathode tube as a viewing screen. Mr. Sterenfeld said the larger set would be sold for 'about $175 to $225'.

"Explaining that hitherto television sets had been regarded as 'very expensive pieces of equipment', Mr. Sterenfeld said the purpose of his concern was to 'provide inexpensive equipment for viewing television images for those who would "look in" periodically and keep abreast of the television art.'

"Louis W. Parker, chief engineer, explained that the circuit employed was a simplified one, using the fewest number of tubes possible and incorporating features which 'make for marked simplicity of construction'. Only five control knobs are used on each receiver.

"The programs from the Empire State were intercepted on ten feet of wire, one end of which was attached to the set and the other end thrown out a window.

"Also demonstrated was a three-tube 'sound' receiver, which was employed separately to intercept the audio component of the image-sound test broadcast from the Empire State, which Mr. Sterenfeld said 'might be sold for as little as $15.' It was less than half the size of the average midget broadcasting set."

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TRADE NOTES

General Electric will inaugurate its new 625-foot antenna tower, built on its 53-acre transmitter laboratory plot just outside of Schenectady to carry programs from WGY, with an elaborate ceremony Saturday, May 14th.

The Columbia Broadcasting System this week issued a new rate card (No. 24) bringing up-to-date the charges for the network since the addition of ten stations and other improvements.

The French Government has created a new Ministry, the Ministry of Propaganda, and L. O. Frossard holds the title of Minister of Propaganda. He will from now on administer all propaganda divisions of the press, the cinema, radio, publicity and tourism and among his attributions will be the propagation of French thought and the upholding of French interests abroad.

Copies of addressed by Frank R. McNinch, of the Federal Communications Commission, to the NAB convention in February, and of David Sarnoff, President of the Radio Corporation of America to the Town Hall meeting in New York were inserted in the Congressional Record this week by Senator Capper (Republican), of Kansas

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ASCAP TO APPEAL TAKOMA DECISION

The American Association of Composers, Authors and Publishers will appeal to the U. S. Supreme Court from the Federal statutory court's decision handed down in Tacoma this week denying the Society's petition for an injunction to restrain Washington officials from enforcing the State's anti-ASCAP law, according to Louis D. Frohlich of Schwartz & Frohlich, ASCAP counsel.

The court dismissed the petition for lack of jurisdiction, contending that it had not been shown that the required pecuniary interest of $3,000 was involved. The case was argued 14 months ago and the court had it under consideration since. Two other Federal statutory courts in similar cases involving Nebraska and Florida anti-ASCAP laws granted injunctions to the Society, although Florida officials will appeal the decision in their case to the U. S. Supreme Court. A similar action is still pending in Montana where hearings were held more than a year ago without a decision as yet having been handed down by the Federal statutory court.

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TRADE NOTES

I. T. & T. REPORTS NET GAIN OF 75%

The International Telephone and Telegraph Corporation this week reported gross earnings from telephone and radiotelephone operations, excluding Mexican and Spanish subsidiaries, amounted to $32,749,694 for 1937, compared with $26,931,704 for 1963. Net income from such operations was $8,786,818, a gain of $3,787,222, or 75.8 percent.

The I.T. & T. has acquired since Jan. 1, $984,000 of ten-year convertible 4½ percent debentures, due on Jan. 1, 1939, at a cost of $844,600, and has reduced its bank loans by $403,485, according to the annual report issued yesterday by Sosthenes Behn, President. In addition, $290,047 in cash has been added since January 1st to the fund to retire debentures of the above issue.

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NBC BILLINGS RISE 1% IN APRIL

Continuing for the fifth successive month the regular gains which raised figures for each of those months to a record high, expenditures by clients for time on the National Broadcasting Company in April rose one percent over April, 1937, to $3,310,505. Last year's April billings were $3,277,837.

The increase brought the cumulative total for the first four months of 1938 to $14,408,905, up 4.9 percent over the previous record of $13,729,901, for the same period in 1937.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1126

May 17, 1938.

S-W STATION PROPOSAL APPEARS BLOCKED FOR SESSION

Despite last-minute activity in behalf of House and Senate bills to establish a government-owned Pan American short-wave station, present indications are that the legislation will not be enacted into law at this session.

Chairman Vinson and his colleagues on the House Naval Affairs Committee disclosed their hostility to the proposal almost immediately after the opening of hearings on the Celler Bill, which has been pending in the House more than a year. While hearings will continue this week, Representative Vinson indicated that the Committee will not report the bill favorably, if at all, before adjournment.

Meanwhile the only chance for legislative action on the Pan American station is in the Senate Interstate and Commerce Committee, which this week was due to resume hearings on the McAdoo-Chavez bill to establish the station in California near San Diego.

Senator Bone (D.), of Washington, appeared favorable to the bill, but even though it is reported, it has several legislative obstacles to hurdle. Even though it should pass the Senate, it is doubtful that the House would accept it in view of the attitude of the House Naval Affairs Committee.

While President Roosevelt has never taken a definite stand in the controversy, executive departments under his control have made favorable reports on it. The most enthusiastic Administration supporter is Secretary Ickes, who has an elaborately-equipped studio in his new Interior Building. The Navy Department is agreeable but not enthusiastic, while the War Department stated it has no objections but thinks the pro-- posal does not concern the military policies of the country.

Broadcasters of the nation are united in their opposition to the proposal for fear that it might be used as an entering wedge into government operation of broadcasting stations, domestic as well as international.

Sponsors contend that the legislation is needed to offset the radio propaganda pouring into the Latin American countries from Berlin and Rome. They insist that the trade and good-will of these countries is at stake.

Meanwhile, the report of the Inter-Departmental Committee named by President Roosevelt to study international

broadcasting in relation to the United States is being delayed for unexplained reasons. For the past fortnight Chairman Frank R. McNinch, FCC head, has stated that the report would be submitted to the White House within a few days.

It is understood, however, that it makes no definite recommendation but merely calls attention to the possibilities of government radio programs either over existing commercial stations or by means of a government-owned short-wave station.

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ETHRIDGE BLASTS CELLER BILL AS "NAZI" PROPOSAL

Mark F. Ethridge, Acting President of the National Association of Broadcasters, was credited with turning the tide of sentiment in the House Naval Affairs Committee against the Celler Bill to establish a government-owned Pan American short-wave station in Washington this week.

Speaking for the networks as well as the NAB, Mr. Ethridge assailed the measure as "suggesting the Naxi philosophy" and "utterly at variance with democratic principles".

Excerpts from his statement follow:

"It is apparent that this bill and similar measures pending before the Congress were inspired by the activities of other nations which, through the medium of short-wave radio are undertaking to propagandize their particular political ideologies. Experienced observers tell us that the ether is surfeited with insidious political propaganda. The various authoritarian States on the Eastern Hemisphere seek to rally their expatriate nationals in South America and other countries by repeated broadcasts deifying the dictators of the homeland and pleading that the way of life under a totalitarian government promotes happiness and security for the individual. Moreover, we are told, the objective of such programs by foreign governments is to convince the citizens of the nation toward which the broadcast is directed that if they will but adopt a similar political system, their people will enjoy advantages presently denied them.

"It is now proposed that this government as a government engage in the "battle of the airwaves" and attempt to compete with those nations which seek to peddle their various "isms" by short-wave broadcasts. Any proposal to put the United States government in control of media for the dissemination of news or information is utterly at variance with democratic principles and follows the pattern of authoritarian states where government control and operation of radio, newspapers and other instruments of communicating information already is an accomplished fact. It suggests the Nazi

philosophy which seeks to fuse the people with a common thought, with common aims and ultimately obtains complete submission to the thinking of a small group.

"Is it desirable or feasible for the Government of the United States to copy the technique of totalitarian states in their efforts to win commercial and political preferment from our neighbors to the South? Would not such a procedure be inconsistent with our traditional democratic processes and give rise to ill-founded suspicion and distrust among those countries whose respect and good-will we, as a Nation, so greatly desire?

"The second general consideration is substantially related to the broad question of international policy just outlined. Will the facts disclose that the efforts of foreign propagandists are meeting with any degree of success in the various South American nations?

"With respect to the commercial relationships between the United States and Latin American nations, it is a matter of general knowledge that the reciprocal trade policies of our government, together with other factors, have caused notable improvements. A recent summary published by the Department of Commerce of the United States' trade with the world, covering the calendar year 1937, shows increases in value of exports over the previous year to Latin American nations ranging from forty to ninety per cent.

"In the political sphere, it is equally apparent that Nazi and Fascist propaganda in South America which has concerned us all, has loudly backfired. Recent developments in Argentina, Brazil and Chile demonstrate the futility of the efforts of foreign governments to extend their influence into these Republics. Newspaper dispatches indicate that these propaganda efforts, instead of making "serious inroads", have only served to make new enemies, particularly for the Berlin government.

"There are other important reasons why the broadcasting industry believes the Government should not engage in international broadcasting. Perhaps the most important one is that private facilities are available and, therefore, it is unnecessary for the government to duplicate them. Moreover the present licensees can better accomplish the objectives of furthering the Good Neighbor policy in Latin American than can government.

"Government propaganda (if the term "propaganda" is odious, call it by any other name) is subject to a very natural suspicion. It may be presumed that from a program standpoint, it is the desire of the sponsors of this project to develop for our neighbors in the South a living pattern of our democracy, presenting the best of our music; describing the functioning of our institutions, our traditions of liberty and freedom; offering the best of our programs of entertainment; broadcasting the

news of the day, uncolored and uncensored. In short, to present the culture of a progressive democracy that desires peace for all people and freedom and security for its own citizens. One may assert that all of this can be done by Government, but we maintain that under the existing system of broadcasting in the United States, it can be better and more effectively accomplished by private entrepreneurs."

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SEC LISTS RCA SALARIES

The Securities and Exchange Commission has listed the salaries of the following Radio Corporation of America officials during the past year:

David Sarnoff, $84,153; Gen. J. G. Harbord, $56,000; Otto Shirer, patent expert, $30,000; Oswald F. Schuette, special services, $30,000; M. H. Aylesworth, Advisor on motion picture activities, $35,000; John V. L. Hogan, patent expert, $56,574.

Gen. Hugh Johnson was listed as having received $40,000 for advice on labor relations.

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RADIO INQUIRY FACES OBSTACLES IN BOTH HOUSES

With adjournment of Congress drawing closer daily, prospects for a Congressional investigation of the radio industry and the Federal Communications Commission are growing dimmer.

A Senate debate and a possible vote on the White resolution, now on the Senate calendar, is likely, but Administration supporters have indicated they will fight the proposal for a broad Senate inquiry. Senator Wheeler (D.), of Montana, has strengthened the proponents' cause, however, by announcing that he would support the resolution. Senator White (R.), of Maine, expects to bring the issue to the Senate floor at the first opportunity, probably on a move to suspend the rules.

Meanwhile, the House Rules Committee was scheduled to resume its hearings this week on a half-dozen resolutions calling for radio probes, but it appeared doubtful that anything but an innocuous proposal, if any, will emerge from the Committee.

Representatives Connery (D.), and Wigglesworth (R.), both of Massachusetts, are to be heard in favor of the Connery resolution when the Committee resumes its hearings.

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50 KW. POWER FOR WRVA GRANTED BY COMMISSION

A ten-fold increase in power for Station WRVA, Richmond, Va., was approved late last week by the Federal Communications Commission, sustaining its own Examiner. The increase, when put into effect, will place WRVA among the nation's most powerful regularly licensed stations.

"The applicant is qualified legally, technically and financially to make the construction herein requested and to operate Station WRVA with 50 kw. power", the FCC report stated. "The granting of the application will permit of an improvement in signal strength and an enlargement of service area in the Tide-water and other sections of Virginia, urban and rural. Need for such an increase is clearly shown to exist.

"The existing stations appearing as respondents in the proceeding fully participated in the hearings but filed no exceptions to the report of the Examiner and did not request oral argument. The Commission finds that the operation of Stations WRVA as proposed will not cause additional interference to any existing station."

The grant was a notable victory for Frank D. Scott, Washington attorney, who appeared as counsel for WRVA, while C. T. Lucy, General Manager, testified at the hearing on which the grant was made. Among counsel appearing in the case for other interested parties were John M. Littlepage and Thomas P. Littlepage for WISN, and A. L. Ashby, for WTAM.

Station WRVA, which is owned and operated by Larus & Bros. Co., tobacco manufacturers, attracted attention several years ago by installing one of the first wooden transmission towers for broadcasting.

"Station WRVA began operation in November of 1925 with the power of 1 kilowatt, unlimited time", the FCC report states. "From 1925 to 1927 the station operated on a non-commercial basis, and from 1927 to 1928 the facilities of the station were available to advertisers upon request but no solicitation was made. In 1928 the station assumed an affiliation with the National Broadcasting Company, and from 1929 to the present time the station has operated on a commercial basis with a power of 5 kilowatts, unlimited time. On June 27, 1937, the station became affiliated with the Columbia Broadcasting System.

"Since the beginning of the station the applicant has endeavored to bring the mechanical efficiency of the station to the maximum which could be afforded by the latest developments and inventions in the art. It has invested more than $240,000.00 in equipment for the station since it began operation.

"The antenna and equipment to be installed are expected to cost approximately $200,000. As of December 31, 1936, the books of the applicant corporation showed that its current assets exceeded its liabilities by $5,500,000.

"The station has five broadcasting studios, several business offices and control rooms in Richmond. In addition, the station maintains 11 permanent line facilities to the Capitol building, hotels, churches and various amusement places in Richmond. Other remote control facilities have been installed in various places in the city and the surrounding territory and are available whenever necessary to broadcast programs or important events. Broadcasts have been made by remote control from points at considerable distance from Richmond. Such locations include Orange, Williamsburg, Newport News, Petersburg, Harrisonburg, Alexandria, Fredericksburg, Hopewell, and other points in Virginia. The applicant expects to continue this service if the Commission authorizes the proposed power increase.

"The various departments of the State Government have used the facilities of Station WRVA for the broadcast of the information and programs in which they are interested. These programs are designed and intended for use by all residents of the State, and not for any particular part thereof. These departments are therefore interested in obtaining as much coverage as possible for their programs. No charge is made for programs sponsored by the various State agencies.

"Officials of the State Department of Education broadcast programs dealing primarily with education and educational guidance. The programs are designed for the teachers and students in the schools throughout the State. Station WRVA publishes, without charge to the department, a weekly release inviting attention to the educational programs to be broadcast over the station for the ensuing week. These bulletins are mailed in advance to the superintendents of the schools who may make appropriate arrangements for the teachers and students to hear the programs. The station has broadcast more than 500 programs for the University of Virginia.

"The station broadcasts programs originating from the State Capitol. Such programs include addressed by the Governor, openings of the General Assembly, and special committee hearings."

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WOR's studios are being equipped with a $49,000 air conditioning plant. Construction began last week and the new cooling system will be in operation within fifty-six days.

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FCC BILL AIMS AT RADIO INTERFERENCE

An amendment to the Communications Act designed to give the Federal Communications Commission authority to control diathermy apparatus was submitted to Congress this week by Paul A. Walker, Acting Chairman of the FCC.

Commissioner Walker explained that the medical machines were found to cause serious interference with certain types of radio communication.

"This interference seriously impairs radio communication service at the present time", Mr. Walker said, "and is rapidly growing in intensity.

"In the opinion of the Commission unless measures for suppression or mitigation can be promptly undertaken there is real danger that the usefulness of a large part of the radio spectrum for communication purposes will be destroyed."

The amendment states that the Commission "shall, from time to time, as public convenience requires, make rules and regulations to prevent interference from any apparatus which uses radio frequency electric current."

Commissioner Walker said that the FCC learned of the interference at the radio engineering conference held some time ago.

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THREE STATIONS AUTHORIZED; DOZEN ARE REJECTED

Three new local broadcasting stations were authorized late last week by the Federal Communications Commission, while a dozen other applications were rejected. The grants bring to 20 the number of new locals approved by the FCC this year.

The three new stations are:

Sam Houston Broadcasting Association, Huntsville, Texas, using 1500 kc. with 100 watts power, daytime; Twin-City Broadcasting Co., Lewiston, Me., using 1210 kc., 100 watts power, unlimited time; Cape Cod Broadcasting Co., Barnstable, Mass., 1210 kc., 100 watts power night and 250 watts daytime, unlimited hours.

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HIGH SPEED AIRCRAFT HELD DEPENDENT ON RADIO

"Without modern radio high speed air transportation would be impossible", the Federal Communications Commission declared this week in a formal statement marking the nation's observance of air mail week, "and it may be expected that the aeronautical and radio engineers working together will produce a safer, faster, and more economical transportation system in the future."

"From the beginning of the airmail until about 1928, aircraft, due to the lack of radio equipment, was restricted to contact flying", the FCC recalled. "The pilot, before taking off, ascertained through inspection of weather maps and weather forecasts and by means of wire communication, whether there was a reasonable possibility that the field at his destination would be in a condition for landing. After taking off it was very necessary for him to maintain visual contact with the ground. Over the top flying was very dangerous due to the possibility of getting lost. These circumstances all led to interruptions in air transportation service, restriction in aircraft range and hazards to the life of the pilot.

"In 1928, air transport lines initiated activity with two-way radio. This permitted the pilot to receive information in flight as to conditions surrounding airports, and with the installation of radio ranges by the Government, the way was open for the use of long range aircraft flying at higher altitudes and over the top.

"In the past ten years the communications system serving air transport has grown from a few disconnected routes to a comprehensive network of communications covering the whole of the United States and a great portion of Alaska. Through this system the pilot receives a constant stream of information, not only as to weather and physical conditions, but as to the positions of other planes which he may be expected to overtake and meet, and as to many other items of information which are indispensable to him in the exercise of his judgment. The communication networks have also been extended beyond our borders, across the Pacific to Hawaii, the Philippines and China, to South America and to Bermuda. In the near future a network will extend across the Atlantic. These networks, through coordination with similar networks established by foreign administrations, are developing a world-wide aviation communication system which will permit the safe and efficient navigation of the airways of the world by any aircraft regardless of nationality.

"With increase in range of aircraft and higher flying speeds, the amount of information which the pilot must receive has increased enormously. Originally, it was only necessary for the pilot to know the probable weather for the

next few hours and within a range of only a few hundred miles. Now it is necessary to know the probable weather for many hours and over a great range in territory. With aircraft now in process of construction, this need for information will be further increased and it will be possible by use of the existing communication system, with minor expansions, for a pilot to take off on a non-stop flight from coast to coast and be re-dispatched to any of the seaboard airports should the weather close in at the airport of destination.

"This communication system is available not only to the transport aircraft, but to the private aircraft. Within the United States the itinerant may fly his aircraft to almost any point and receive assistance through radiocommunication from many stations established by the Government and by private industries with a minimum of pre-arrangement. If desired, arrangements may be entered into with private agencies for the dispatch of private aircraft on the international routes. Under these circumstances, the itinerant is given the same attention and protection as the transport aircraft. In many parts of the world it is no more difficult to arrange for a trip in your own aircraft than it is to travel by private motor car.

"The development of aviation has been very rapid and is proceeding unchecked. The radio industry has been and still is keeping abreast of these developments in order that new developments in radio engineering may be quickly applied to the peculiar needs of air transportation. Aircraft is now contemplated which will fly "over the weather". However, such aircraft must take the weather as it is on departure and arrival. To make this possible, the radio industry is now flight-testing various types of instrument landing systems. These are expected to be perfected in the near future to such an extent that the modern aircraft may find and land on an airport with as great facility as has a modern ocean liner in finding a harbor and proceeding to dock."

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EXAMINER REVERSED IN FCC DECISION IN PRESS CASE

The Federal Communications Commission late last week reversed one of its Examiners, P. W. Seward, and approved the sale of Station KOOS of Marshfield, Ore., to Sheldon F. Sackett, publisher of the Coos Bay Times, for $14,000.

Chairman Frank R. McNinch and Commissioner George Henry Payne for once voted alike in a dissent.

In recommending against the grant, Examiner Seward had contended that "it would not be in the public interest to approve this transfer and thereby place in the hands of one man

practically all the means of dissemination of news and other information, as well as the advertising media in this area, and constitute a virtual monopoly."

At the same time the FCC denied an application of the Fall River Herald News Publishing Co., Fall River, Mass., for a construction permit to build a new station using 1210 kc., 100-250 watts power.

"The record does not show", the FCC said, "that sufficient commercial support could be reasonably expected to enable the existing station to continue its operations and at the same time to sustain the applicant in its proposed operations."

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STRONGER S-W SIGNALS NEEDED, SAYS BULLOCK

Stressing the need for a better signal if American short-wave broadcasting is to compete with European stations for reception in South America, Boyd W. Bullock, Assistant Manager of Broadcasting, General Electric Company, stated in an interview that too little thought has been given to the problem of furnishing the people of South America a signal good enough for them to hear if they want to listen to United States programs.

Mr. Bullock debunked the popular idea that short-wave programs, regardless of the power of their transmission, are audible throughout the world. He stated that this belief has resulted from the fact that "ham" broadcasters, using as little as a fraction of a kilowatt of power, have sometimes been heard in distant parts of the world.

Explaining why someEuropean stations reached South America better than American stations, Mr. Bullock replied that the geographical location of parts of Europe makes it possible to direct from such a location a narrow beam of 15 degrees on Buenos Aires and maintain a strong signal throughout the most populated sections of South America; whereas an equivalent beam from an American station would be as strong at Rio de Janeiro, if directed on that point, but would be inadequate to properly serve the western area of South America. Likewise, a 15-degree beam directed on Santiago, Chile, or Buenos Aires would not produce a signal at Rio comparable to, say, a German signal.

"For this reason", stated Mr. Bullock, "American stations must use greater power than Germany if a comparable signal is to be had throughout South America. It is not a problem of counteracting European stations, but rather a question of maintaining a signal approximately as strong as theirs."

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WMCA PLANS EXPERIMENTAL RADIO THEATRE

On the theory that there has been too much technique and too little practical application of its development, WMCA is preparing an "experimental radio show" to coordinate existing forms and to develop new mediums for dramatic broadcasts. The theatre is to be under the direction of Larry Menken, veteran radio writer and producer.

Expected to start as a regular Saturday night feature beginning early in June, the program will be open to the submission of new ideas from the radio audience. The field of investigation to be covered by the series will include the technique of sound, music, conversation and other forms which have formerly been used without regard for the character of the play.

Most of the plays to be presented will be adaptations of well known stories which are illustrative of the technique under study although original plays will also be presented in cases where the mediums contain new dramatic formulae. Thus, to develop the technique of sound, stories by Robert Louis Stevenson and Edgar Allen Poe will be used. Similar sources will be drawn upon, to express the musical and conversational forms of radio drama.

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LABOR BOARD UPHELD IN MACKAY CASE

The National Labor Relations Board was unanimously upheld by the U. S. Supreme Court Monday in the course it took in ordering the Mackay Radio and Telegraph Company to reinstate five former strikers. Justices Reed and Cardozo did not participate.

Satisfaction over the Court's position in the Mackay case was expressed by Charles Fahy, general counsel of the Labor Board, and Mervyn Rathborne, President of the American Communications Association, a C.I.O. union, whose five members of the American Radio Telegraphists Association were ordered reinstated at San Francisco.

The NLRB had not served on the defendant an intermediate report founded on the investigation of its trial examiner. The Supreme Court held, however, that other proceedings sufficed to inform the Mackay corporation of the nature of the charges.

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No. 1127

U.S. RADIO REPORT DELAYED AS CELLER BILL DIES

Commercial broadcasters had reason to rejoice this week at two developments which definitely blocked any prospect of the Federal Government entering the international broadcasting field at this time.

Chairman Vinson, of the House Naval Affairs Committee, abruptly closed hearings on the Celler Bill to establish a Pan American station in Washington after only two days hearing. The measure consequently will expire with the adjournment of Congress.

At the same time Chairman Frank R. McNinch, of the Federal Communications Commission, suddenly changed his plan for submitting an interdepartmental report to President Roosevelt on international broadcasting and announced that the survey will be continued. The report will not be completed before Fall, Mr. McNinch said.

While hearings continued on the McAdoo-Chavez Bill to establish a Pan American short-wave station in California, even sponsors of the project admitted that it has no chance of passing both Houses of Congress during the present session.

Commissioner McNinch, who is Chairman of the Inter-Departmental Committee appointed by President Roosevelt, issued a formal statement explaining his change in plans as he had previously stated repeatedly that the report was ready for submission to the White House.

"I have just discussed with the President the progress of the work of the Interdepartmental Committee to Study International Broadcasting", he said following a conference with the President, "and the President directed the Committee to continue its studies. The further investigations will be directed especially toward certain important phases of international broadcasting which, for lack of time, the Committee had not been able to study and include in its report. This additional work will require a matter of several months, as the Committee members are not free to devote their undivided attention to this matter but must carry on this activity in connection with their regular departmental duties.

"The Committee will probably not be able to submit its report to the President until some time this Fall. In view of the fact that the Committee is to explore other aspects of

international broadcasting, I shall not be prepared to testify this week before the Committee on Naval Affairs of the House on Bill No. 4281, introduced by Congressman Emanuel Celler."

The House Naval Affairs Committee concluded its brief inquiry after hearing a few more witnesses in opposition to the bill. General credit for killing the measure, however, was given to Mark F. Ethridge, Acting President of the National Association of Broadcasters, who assailed the proposal as "Nazi" despite the fact that it was intended to combat German and Italian propaganda in the Latin Americas.

Opposition to the bill was voiced before the Committee on the last day by representatives of the General Electric Company, the Westinghouse Company and the Columbia Broadcasting Company.

Speaking for the General Electric, Boyd W. Bullock said that the privately-owned radio industry in this country is equipped to take care of any short-wave service to Latin America which may be needed.

In a few weeks, he asserted, the General Electric will have facilities for the handling of South and Central American programs which will be "second to those of no other nation in the world."

"The General Electric Company intends to continue its technical developments in an effort to provide facilities for transmitting international broadcasting signals from the United States of a quality and strength second to none", he asserted.

The Westinghouse Company, the other principal American short-wave broadcasting organization, informed the committee that it had little to add to what Mr. Bullock had said.

The Columbia Broadcasting System voiced opposition to the bill as unnecessary and also because of the "prohibitive" costs involved.

Representative Celler, of New York, author of the bill, declared that the fight for enactment of the measure will go on. He said that the Administration is in favor of the bill.

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The American Trade Commissioner at Sydney, reports that was is said to be the first of its kind in the British Empire, as well as the most modern in the world, Sydney's radio-equipped ambulance service has completed its first three months of operation. The headquarters station has a transmitter of 200 watts, operating on 189 meters, which keeps in touch with 20 ambulance cars, each of which is equipped with a 10 watts transmitter operating on a wave length of 89 meters.

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SENATE AMENDS RADIO ACT TO CURB CRIMINALS

The Senate this week adopted an amendment to the Communications Act which is designed to prohibit the use of all communications facilities for criminal purposes. While aimed chiefly at wired lines, it applies as well to broadcasting stations. The amendment reads as follows:

"Sec. 610. Any person who uses any of the communication facilities, enumerated in this act in committing, or in attempting to commit, a felony as defined by section 335 of the Criminal Code of the United States, as amended (U.S.C., title 18, sec. 541), shall, upon conviction thereof, be punished for such use by a fine of not more than $10,000 or by imprisonment of not more than 2 years, or both."

"Sec. 2. Section 605 of the Communications Act of 1934 is hereby amended by changing the period at the end thereof to a colon and adding thereafter the following: "Provided further, That if the head of any executive department or independent establishment of the United States reasonably believes that a violation of any criminal law of the United States, the enforcement of which is under his supervision, may have occurred, may be occurring, or may be about to occur, through a gang, confederacy, or group of two or more persons, and he makes certification accordingly, the provisions of this section shall not apply to the investigation, detection, or prevention of such violation, or of any violation of any criminal law of the United States discovered in the course of such investigation, detection or prevention; a copy of such certificate, under the seal of the department or establishment concerned, shall be prima facie evidence of the existence of the conditions making this section inapplicable; and any evidence of a violation of any criminal law of the United States obtained under the authority of this proviso may be used against any person in aid of any prosecution for such violation."

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ACTION ON HAVANA TREATY SEEN BEFORE ADJOURNMENT

The Senate is expected to ratify the North American radio treaty drafted at Havana last Fall before Congress adjourns in early June.

The Treaty has been submitted to the Senate somewhat belatedly by President Roosevelt and is now before the Foreign Relations Committee. An early report by the Committee appears likely although it was uncertain this week whether or not hearings will be held.

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PUBLIC SHOULD BE ONLY CENSOR, SAYS ETHRIDGE

"The radio broadcaster wants only the censorship of good taste and public opinion", Mark F. Ethridge, President of the National Association of Broadcasters, told the Federal Communications Commission Bar Association this week in Washington.

"It is necessary, of course", he added, "to safeguard the public against the charlatan with false claims for his product, against the comedian with his smutty jokes or against the speaker with his profanity. General laws are already in effect touching on these and other matters.

"The broadcaster is glad to abide by them and to submit to periodic judgments, in hearings upon applications for renewal of license, as to whether he has kept the laws and served the public interest, but beyond that, program regulation should not go."

Mr. Ethridge asserted that radio can no longer be regarded as an "infant industry" and that it should not be treated as an adult.

"There has been a lot of loose talk, particularly during the past few months, about the attitude of the radio broadcasters toward government regulation", he said. "The charge has been made, I believe, that the broadcasters, in reorganizing, are making an effort to 'dominate the Commission.' Another charge has been made that there is some sort of active radio lobby in Washington up to sinister purposes. Allegations have been made, also, that we have some sort of monopoly. I believe that allegation came from one of the men who is charged with judging us - an allegation that came in advance of any hearing of the evidence.

"I do not know of any monopoly that exists in radio, but if one does exist, it is certainly the Commission's duty to ascertain the facts as it is trying to do by the investigation that has been projected, and deal with it, recognizing, however, that if there is a monopoly it could not have come into being without benefit of the midwifery of the Commission. All the broadcasters with whom I have talked welcome the hearings before the Commission; they feel that the air will be cleared of loose talk and smoke if the Commission approaches its inquiries of this Summer in an impartial, fair and friendly spirit - indeed in the spirit of inquiry rather than as a crusade. The broadcasters are not asking any sinister favors; they have nothing to hide, and, even if they tried to hide anything, the Commission has the power and the facilities to drag every phase of radio operation into the public eye.

"I think it is legitimate to inquire what the radio broadcasters do want. I shall undertake to outline a few of the things they feel they have a right to expect.

"They want a frank recognition of the fact that while radio has a primary basis of public interest, it also has a commercial basis in the united States. They believe it is best so; they believe, from the experience of other countries and from a study of the quality of programs in other countries, that American people get the best programs on earth.

"They want to perpetuate the recognition by Congress, by the Commission and by the public that, since the air belongs to the people, it belongs to all the people and to no group, party, clique, or even administration of the moment.

"They do not want to make the mistake that an element of the press - and I am now speaking as a newspaperman - has made in clamoring for freedom of the press as if someone were about to snatch it away. They recognize that the Constitution did not vouchsafe,franchises in freedom of thought and speech to a few people, but that it was a grant in right to all of us. If the public interest is to be served by radio, it must become the voice of minority groups as well as of majority groups. In no case can it ever become, or should it ever become, the voice of any individual.

"The broadcaster wants a greater feeling of security. He wants to feel that he is, before the Commission, not a prisoner at the bar, but indeed an officer of the court and a friend of the court and the people. He wants to feel that the Commission is not only in law but in thought judicial in its considerations and that no member of the Commission has any attitude except that of judicial determination of the merits of a case.

"Responsible broadcasters would like to feel that the era of political pressure is at an end; that cases which are brought to hearing before the Commission are decided upon merit, rather than upon any other consideration.

"There is another element of which the Commission must certainly be aware. The short-term license is against the public interest in that, whatever may be its purpose as far as the Commission is concerned, it is an effective threat over the control or management of a station."

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5/20/38

EVIDENCE LACKING ON RADIO PROPAGANDA, SAYS BONE

Indications that the McAdoo-Chavez Bill to establish a Government-owned short-wave station may meet the same fate as the Celler Bill were seen Thursday when a sub-committee of the Senate Interstate Commerce Committee resumed hearings.

Senator Bone (D.), of Washington, Chairman of the sub-committee, complained that no concrete evidence of the dissemination of propaganda via radio in the Latin Americas by Germany and Italy had been presented to the Committee.

"If there is any fear in high Government circles of the effect of European propaganda in South America, it has not been made evident at this hearing", he said. "If it is a menace to this country, the Senate ought to know it."

Senator Bone added that the proposed legislation was in the field of international relations and that was why he had tried to avoid "too much discussion of what Germany and Italy are doing, because I do not want to embarrass the Administration.

"It is peculiar that no witnesses had any concrete examples of this supposedly vicious propaganda to offer to this committee."

H. B. Otterman, the State Department's representative on the Inter-Departmental Committee studying international broadcasting, told the Committee that he could not discuss the Committee's findings until after the report is made to the White House, probably next Fall.

Two University professors of international law supported the idea of the United States Government broadcasting to South America.

Samuel G. Inman, professor at the University of Pennsylvania and lecturer at the American University in Washington, said he was "very deeply concerned about propaganda of totalitarian states to South America by radio and other means."

Dr. Herbert Wright, of Catholic University, Washington, agreed with Inman. He said the Government programs should say "what we are doing of interest to them" rather than trying to counteract what Germany, Italy and other nations are doing.

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ETHICAL ADVERTISING GOOD BUSINESS, SAYS LOHR

The better advertising media have learned that it is good business to insist on high ethical standards, Lenox R. Lohr, President of the National Broadcasting Company, told the Third Annual National Federation of Sales Executives at Dallas, Texas, this week.

"It is of paramount importance, in a democracy, that broadcasting must never be throttled", he said. "It has demonstrated, under the established American system, with the advertiser, not taxes, paying the bill, that an equal opportunity can be given to all sides of important controversial public issues, to express their views and not the censored or one-sided views forced on listeners by dictatorial governments. Thus has freedom of the air been established to take its place with freedom of speech and freedom of the press. Any move curtailing one of them, will inevitably lead to restrictions on the other two, resulting in the ultimate destruction of all three and the American form of government.

"The better advertising media set up and enforced standards that help to keep advertising within the bounds of accuracy, common sense and good taste. This may not be as altruistic as it sounds. In so saying, however, I wish it to be fully understood that despite occasional transgressions, in my opinion the leaders of American advertising have,in general, demonstrated their willingness to forego financial gain rather than lower their standards of integrity.

"Nevertheless, looking at this matter from the most cynical point of view, experienced advertising men know that in the long run it is good business to insist on high, ethical standards in advertising. We can amend the old copy-book maxim to read, 'Honesty is the best business policy'. Over a period of years, the standing of any nationally advertised brand is dependent upon the faith which it has established with the public. The very fact that a brand is advertised constitutes a declaration on the part of the advertiser that he is willing to accept responsibility for the product bearing his label. When a product has stood the test of time, it has measured up to a genuinely high quality standard."

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5/20/38

DISTRICT STARTS DRIVE ON UNLICENSED "HAMS"

As a result of efforts by the Federal Communications Commission to curb the increase of unlicensed amateur radio operators, the District of Columbia grand jury this week returned a "test" indictment against Samuel A. Trewolla, of Washington, D. C., charging violation of the Communications Act of 1934.

The case was presented by the Commission through United States District Attorney David A. Pine as a step toward cutting down the number of unlicensed operators, who, it was charged, constitute possibly serious interference with radio use in aviation, police and marine work.

Assistant United States Attorney Eugene Carusi, in charge of the grand jury, announced that in keeping with the request of the Commission, all alleged violators of the Communications Act will be vigorously prosecuted "in a determined drive to obtain the supervision over amateurs as provided by the Communications Act."

The indictment charges that Trewolla operated a radio transmitter without first having obtained a license from the Commission. Officials pointed out that Trewolla is a mature man, as compared with the large number of teen-age boys who play with radio as a hobby.

Mr. Carusi said conviction of violators of the Act carries a fine of $10,000 or two years in prison. He said the Commission had informed him there were "thousands and thousands of unlicensed amateur operators who, for the most part, are merely young men interested in radio". He said he was told the number was increasing "at an alarming rate" since the development by radio manufacturers of transmitters sending the voice rather than code.

The Commission's examination for a license requires the ability to send and receive the Morse code, as well as possession of a thorough knowledge of radio equipment and operation. Mr. Carusi emphasized the fact that unlicensed amateurs who have been unable to obtain licenses may, because of incompetency, seriously interfere with radio traffic over the so-called "safety circuits" - aviation, police and marine.

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TRANSFERS HIT IN REPORTS OF EXAMINERS

Unfavorable reports were submitted to the Federal Communications Commission this week by Examiners in two cases because the prices proposed exceed the value of the properties.

Chief Examiner Davis G. Arnold held that a price of $30,000 for Station WCLS, Joliet, Ill., is excessive as the station formerly sold for $12,500. The transferor, R. W. Hoffman, stated in defense that he had advanced $16,141.26 in operating expenses to the station and had made only $3,600.67 profit.

A proposed deal between two Memphis newspapers, the Commercial Appeal and the Press-Scimitar, was disapproved by Examiner Robert L. Irwin because the buyer agreed to take over the debts of the seller, the Commercial Appeal, in buying WMPS. The Examiner held that the deal would be financially unsound.

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NEW KNX TRANSMITTER TO BE PLACED IN OPERATION SOON

A new 50,000 watt transmitter, which is being constructed at Torrance, Cal., at a cost of more than a quarter of a million dollars, in conjunction with Columbia's new KNX Hollywood studios, will be in operation by late Summer or early Fall, according to A. B. Chamberlain, Columbia's chief engineer.

The transmitter project will include an antenna system consisting of a 490-foot uniform cross-section guyed vertical steel mast and a ground system of more than 120,000 feet of copper wire. A circular transmitter building to house the equipment will be built in modern design and so arranged that most of the operation will be visible to the public.

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The Federal Communications Commission recently decided a strange case of alleged blasphemy in favor of the broadcaster.

An engineer at a Yankton, S.D., station put on a record by Jehovah's Brethern and then went out for a sandwich. When he returned the telephone was sizzling with complaints. He then discovered that the record had struck a nick and was repeating over and over, "Jesus Christ! Jesus Christ!"

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TRADE NOTES

A. D. Willard, Jr., General Manager of Station WJSV, Washington, was elected Second Vice-President of the Washington Advertising Club this week.

An article on the Pan American station proposals before Congress appears in the current Saturday Evening Post. It is entitled "Dog Fight on the Air Waves" and is by Chester Crowell.

Returning from a two months' tour of Europe, WOR's chief engineer J. R. Poppele and Mrs. Poppele will embark today (Friday) from Southampton, England, for New York aboard the S.S. "Washington" of the United States Lines. The Poppeles' itinerary has included visits in England, Holland, Belgium, France, Switzerland, Italy and Germany, during which WOR's chief engineer conducted a survey of broadcasting conditions and progress in the European radio world.

The Columbia Broadcasting System this week issued in pamphlet form a resume of its activities during 1937.

A radio system, phonograph system, chi es system, sound system and intercommunications system are all combined in one, intricate and unusual piece of apparatus which is now designed and built by engineers of Philco Radio & Television Corporation. Installations are made through the International Business Machines Corporation, with one recently completed for the Southeast High School in Kansas City, Mo.

Charles J. Pannill, President of the Radiomarine Corporation of America, sailed Thursday on the French liner "Normandie" to attend the annual meeting of the International Radio Maritime Committee on June 13th in Paris. He said the Committee, representing the owners of 10,000 ships in the major countries of the world, would attempt to preserve the wave frequencies now allotted by international agreement for vessels at sea.

Recent developments in the RCA all-electronic television system were revealed to members of the press this week in demonstrations by the Radio Corporation of America and the National Broadcasting Company at Radio City. The demonstrations were designed to show the progress made by the two companies in technical and program experiments during the seven months elapsed since the system was last shown to the press.

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5/20/38

NBC GIVES FIRST TELEVISION CLASSROOM LESSON

Television's first American test as a medium for classroom instruction was made Thursday at Radio City when Dr. C. C. Clark gave a lecture-demonstration on the principles and uses of photo-electricity from the experimental television studios of the National Broadcasting Company to more than 200 students facing receivers sixty floors above him in the RCA Building. The demonstration, arranged by Dr. James Rowland Angell, NBC educational counselor, was broadcast over Station W2XBS with the cooperation of New York University.

Dr. Clark, Associate Professor of General Science at the University's School of Commerce, was questioned at several points during the demonstration by viewers over a talk-back radio circuit installed for the purpose. Instructor and students were thus linked together in much the same manner as in the classroom. It was clearly evident in the television image that Dr. Clark was listening to the questions, which were delivered in low voices in the distant viewing room.

"So far as we know", saidDr. Angell, former President of Yale University and now Educational Counselor to NBC, "this is the first attempt to use television as part of a classroom exercise. We hope to learn from it some things we do not yet know. We regard the possible uses of television in connection with educational work as literally unlimited. When this art is more completely developed it may be possible, for instance, to give demonstrations with material that cannot be moved into the classroom to suit the convenience of students. It may also be possible to show distant events in detail not visible to large groups. We are looking forward with great enthusiasm to the development of television for educational purposes."

Dr. Clark was assisted by two of his students at the University during the television lecture-demonstration. His talk began with a simple explanation of the photo-electric cell, proceeded through production of sound by use of the device, and ended with an exposition of the fundamental principles underlying the RCA all-electronic system of television.

The program was carried to NBC's Empire State tower transmitter by coaxial cable and there broadcast to the receivers high in the RCA Building.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1128

May 24, 1938.

HAVANA TREATY DELAY SEEN; CONGRESS COOL TO PROBE

With Congress apparently getting into the home stretch this week, indications are that it will adjourn with most of the pending radio legislation left high and dry.

Although the State Department finally transmitted the Havana Radio Treaty to the Senate for ratification, a clerk of the Committee said no action is anticipated this session.

"It's very secretive", he added. "We're not even supposed to know it's here."

While there still appeared a slight chance that the Senate might approve the White resolution for a radio inquiry, the opposition of the administration and the lack of enthusiasm even on the part of the promoters of the probe pointed to its death with the session.

The House Rules Committee, on the other side of the Capitol, meanwhile appeared to be following its customary policy of killing undesired legislation by inaction.

Although Chairman O'Connor promised additional hearings on the half-dozen resolutions before it, prospects that any of them will be reported out this session appeared remote. Even if the Rules Committee were to report out a resolution for an investigation, the legislation would have to clear the Committee on Accounts, where the Chairman, Representative Warren (D.), of North Carolina, is represented as opposed to a probe.

Hearings were continuing this week on the McAdoo-Chavez Bill to establish a Pan American Government-owned short-wave station in California, but there is scant possibility that it will even pass the Senate and it is sure to encounter stiff opposition and defeat in the House.

Meanwhile the Federal Communications Commission is preparing for its hearing on super-power and new rules and regulations to begin June 6th.

A meeting of the super-power group of stations was held this week to map a program of assault on the FCC rule which restricts regular power to 50 KW., but no publicity was issued.

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RMA SEEKS TO PROTECT 455 KC.

Measures to maintain the present 455 kc. intermediate frequency for radio receivers, involved in the recent North American Treaty negotiated at Havana, have been taken by the Radio Manufacturers' Association. Resolutions have been sent to the Federal Communications Commission by the RMA requesting that the 455 kc. intermediate frequency be retained and that changes be made regarding the 900 kc. and 910 kc. frequencies. There will be problems for radio manufacturers if the second harmonic interferes with the 455 kc. intermediate frequency, and the RMA is asking that no stations be allocated on the 910 kc. frequency, as proposed in the assignment of this frequency to the United States for broadcast purposes.

The RMA also recommended that the 900 kc. frequency be assigned to the United States and Mexico be given the 910 frequency, but if changes cannot be made in the treaty to accomplish this, it is the recommendation of RMA that the FCC make no allocations on the 910 kc. channel.

The Commission has advised RMA that all possible consideration will be given to the Association's recommendations, following a recent personal conference of an RMA committee with the FCC engineering staff.

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TWO STATION SALES APPROVED BY EXAMINERS

Transfer of radio station licenses, one to a newspaper chain publisher, was recommended for approval this week to the Federal Communications Commission by its Examiners.

Examiner Robert L. Irwin sanctioned the sale of Station KHUB, Watsonville, Cal., to John P. Scripps, controlling stockholder of the John P. Scripps Newspaper Company. The facilities are 1310 kc., 250 watts, daytime. The purchase price is $35,000.

Approval of the sale of Station WKBZ to the Ashbacker Radio Corporation by a member of the Ashbacker family in a move to separate radio interests from other holdings was recommended by Examiner R. H. Hyde.

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"ANTI-RADIO MONOPOLY" ORGANIZATION FORMED

"The American Radio Audience" has established headquarters in New York City. One of the Directors is James P. Kiernan, former member of the Code Authority for the Broadcasting Industry.

The purpose of the organization, according to a press release:

"To combat this radio monopoly, to eliminate from the air all propaganda programs that constitute a threat to American ideals and democracy, and to curb all obnoxious, indecent and profane broadcasts, especially the broadcasts of the type recently alleged by the President of the Women's National Radio Committee as best adapted for 'imbeciles and backward children.'

"The organization also proposed to work in legitimate and lawful ways so that all organizations of a social, economic, agricultural, educational and religious nature shall have proper and adequate facilities in radio allocated to them; to place the non-commercial use of American radio facilities on the same basis as their commercial use by conducting campaigns of education by literature, lextures and broadcasts.

"Moreover, it is proposed to expose the existing evils in radio, the inconceivable tactics used by the radio trust, to control this last and possibly the most valuable of all public resources, the only direct and instantaneous means of communicating with 30,000,000 American homes."

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HEARST RADIO LOSES TO BATON ROUGE ON POWER

Hearst Radio's WISN, Milwaukee, lost the first round of its fight with Station WJBO, Baton Rouge, La., for an increase in power to 1 KW. on 1120 kc. this week.

Examiner Melvin H. Dalberg recommended that WISN's application for a modification of license be denied and that the request of the Baton Rouge Broadcasting Co. be granted. Denial of an increase in power for WAPO, Chattanooga, which also operates on 1120 kc. was recommended also.

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RMA COMPLETES PROGRAM FOR JUNE CONVENTION

A program for the National Convention of the Radio Manufacturers' Association in Chicago, June 7-11, was announced this week by Bond Geddes, Executive Vice-President. The convention will be held in conjunction with the National Radio Parts Trade Show at the Stevens Hotel.

Among the speakers on the program are Thad Brown, member of the Federal Communications Commission; John W. Van Allen, RMA general counsel; and Leslie F. Muter, RMA president.

A golf tournament and an "RMA Cabaret" and dinner are on the entertainment schedule.

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NAVY TO TEST SIGNALS FOR DISTANCE

The Navy Department in Washington states that the Naval Research Laboratory will make test radio transmissions of ultra-high frequencies during the periods June 3 to June 18 and July 23 to Aug. 6.

The Department is interested in the distance at which these transmissions may be heard and is requesting that persons observing the tests notify the laboratory by mail or otherwise. Reports of failure to hear these transmissions are desired by the Laboratory as well as reports of hearing them.

The test transmissions will be made on the ultra-high frequencies of 94.6 megacycles, 150 megacycles and 275 megacycles. The transmissions will be limited to the first and third fifteen minutes of each hour from 8 A.M. to 4:30 P.M. from Mondays to Fridays, inclusive, during both periods, but will be continuous at other times between the dates given.

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A new radio station for Gastonia, N.C., was recommended this week to the Federal Communications Commission by Examiner P. W. Seward, reporting favorably on an application of F. C. Todd. The requested facilities are 1420 kc., 100-250 watts power, unlimited time.

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ITALY TO CONSTRUCT NEW SHORT-WAVE BROADCASTING STATION

A project for the establishment of a new short-wave station in Rome was recently approved by the Italian Council of Ministers, according to a report to the Department of Commerce from the office of the American Commercial Attache at Rome.

The newly approved plan consists in the improvement of the power of the two existing transmitting stations in Rome which will be increased from 25 KW, to 40 KW. In addition, two new 100 KW. broadcasting lines will be set up, which will in practise constitute four lines due to the fact that these two lines will operate on separate waves which are rapidly commutable, separately modulated and each transmit a different program. These transmitters are known as the Pluri-wave type and are capable of placing any wave on the scale of 14-16 meters.

The new short-wave station will enable the listener to choose the clearest wave and will insure good reception of the program. In addition, a new cable will be laid, connecting the studio in Rome with the short-wave station which will be located some distance from that point. This cable, which will be of high phonetic quality, will allow the contemporary broadcasting of five different programs, it is claimed.

The new station is designed to improve the present technical organization of the existing Italian system, and to enlarge the broadcasting facilities to the colonies as well as throughout the world, according to the report.

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BILL PROPOSED FCC FIX COPYRIGHT CHARGES

The Federal Communications Commission would be given power to determine charges for the use of copyrighted music under a bill introduced in the House last week by Representative Moser (D.), of Pennsylvania.

The bill has been referred to the House Patents Committee, but no action is expected this session.

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RADICAL CHANGE IN RADIOS URGED BY McDONALD

Taking a cue from the automobile manufacturers, who are reported to be designing a 1939 model that will make present autos obsolete, Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, has proposed a radical revision of radio receiving sets to the industry.

Following a statement at a recent meeting of the Directors of the Radio Manufacturers' Association, Commander McDonald amplified his view for Radio Today, as follows:

"The manufacturers of ladies' hats, coats, suits and dresses would do only a fraction of the business they now do if it were not for the fact that they consistently and continually change the style. This applies also to the manufacturers of furniture, lighting fixtures and automobiles.

"The automobile people have done an excellent job of styling bodies, fenders, general outlines - streamlining, if you please. They thereby put an obvious imprint on the current line they are producing, automatically obsoleting all earlier models. In my opinion more people buy new automobiles because their old car looks out-of-date than because of the fact that it is worn out.

"Now let's stand in front of the mirror and watch our own industry go by. What have we, the radio manufacturers, done in styling to put the obvious imprint of age on the older models? Very little. The last major change was when we took the legs off consoles and put them down to the floor. It is true we have introduced short-wave, electric tuning and automatic tuning, but these are not obvious style changes.

"There is a style change that the radio industry can make - a style change that not only is obvious from appearance but has real utility value. And few style changes have this added utility feature.

"A good illustration of change in style which also added utility value was the change from the old type of high, big front-wheel bicycle that had the little wheel trailing behind, to our present-day bicycle which, when the style change came, they called the safety bicycle.

"In my opinion the wall type of console radio is a montrosity that should never have eeisted. It was originally copied from the old type of phonograph and we, the radio manufacturers, have persisted in producing it year after year. The radio never belonged against a well - it belongs alongside a chair.

"Automatic tuning has double the value in an arm-chair model. Why? With a wll type of radio, even though it is automatic, if you are reading you must stop and lay down your book, walk to the wall and touch the button. With an arm-chair type of radio you continue your reading - it is unnecessary to take your eyes off the book. You simply reach out - you know where the buttons are - press the button, there is your change of station. So I say that this change has not only style value but utility value. I have found no one who has ever owned an arm-chair type of radio who will go back to a wall type of console.

"Pride of possession is a great factor, and with the whole industry behind this movement, I predict that within two years one will often hear this expression: 'Oh! You have one of the old-fashioned wall type of radio.'

"Let's take a page out of the automobile manufacturer's book, follow his example, and do styling that will obsolete early models."

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BBC ENGINEER EXPLAINS CAIRO CONFERENCE ACCORD

Sir Noel Ashbridge, Chief Engineer of the British Broadcasting Corporation, in a summary of the results of the Cairo Radio Conference recently made the following statement with regard to the accord:

"In the long-wave broadcasting band - which is mainly of interest to Europe - no change has been made. We next come to the medium waveband. At present it extends from 545 to 200 m., but the Cairo Conference extended it down to 192 m. for Europe, and down to 187 m. for America and the rest of the world. Then comes what is known as the intermediate waveband - that is, those wavelengths lying between 200 m. and 50 m. For the first time provision is made for broadcasting in a band between 2.3 and 2.5 megacycles (about 125 metres). Then there is a second band from 3.3 to 3.5 mc/s (about 87 m.), and a third band between 4.77 and 4.9 mc/s (about 62 m.). These new bands, however, are reserved for broadcasting in countries lying in tropical or semi-tropical regions. In such countries a high noise level, owing to atmospherics, very often prevents the successful use of the ordinary medium waveband, and the new bands have been provided for the benefit of relatively local services in those countries. There are some rather complicated restrictions with regard to their use in various parts of the world. For instance, the band from 3.3 to 3.5 mc/s is not available for use in Central and South America. In other parts of the world their use is restricted in general to countries which lie within 30°north and south of the Equator.

"To come now to the short wave - i.e., waves below 50 metres; the 49-m. band, which was 150 kilocycles wide, has been increased to 200 kc. and the new allocation is from 6.0 to 6.2 mc/s. A new band, 100 kc. wide, between 7.2 and 7.3 mc/s, has been created by allowing broadcasting to share with amateurs, except in the American continent. This will be in the neighborhood of 41 m. Then the 31-m. band, which was originally 100 kc. wide has now been extended to 200 kc., the new figures being 9.5 to 9.7 mc/s.

"No change has been made to the 25-m. band or the 19-m band. The 17-m. band, however, has been extended, making it 100 kc. wide, instead of 50, the new limits being 17.75 to 17.85 mc/s. The 14-m. band has been extended from 100 to 300 kcs., the new band running from 21.45 to 21.75 mc/s.

"The Cairo Conference regulations in general will come into force in January, 1939, but the clause dealing with the changes in the allocation of wavebands will not be applied until September 1 of that year. There will, therefore, be no immediate changes in the short wavebands, but, of course, due warning will be given to listeners if any of the changes affect the frequency channels used by Daventry.

"The Cairo Conference did not decide definitely whether or not a plan of wavelength channels for individual short-wave stations should be attempted. This would mean, of course, another world conference. The Conference, however, requested the International Broadcasting Union to collect the fullest possible data available on the subject, which will be submitted to all countries for their consideration. If, later on, the majority are in favor of holding a world conference with this object - that is, allocating short-wave channels to individual broadcasting stations - it is possible that such a conference will be held."

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MAVERICK URGES RADIO AS MEDIUM OF GOOD WILL

A new angle on the international broadcasting station proposals, which appear to have been blocked in the present Congress, has been taken by Representative Maverick (D.), of Texas, in a joint resolution to establish an Institute of Friendly American Relations within theState Department.

The resolution proposes to use radio as set forth in the following:

"To print, publish, and distribute, and to disseminate by radio broadcast in the language suitable to the purpose, within the United States and in other American republics, appropriate matter dealing with the history and customs, and with the scientific, artistic, and cultural achievements; business data and economic information relating to the signatories of the Convention for the Promotion of Inter-American Cultural Relations."

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TRADE NOTES

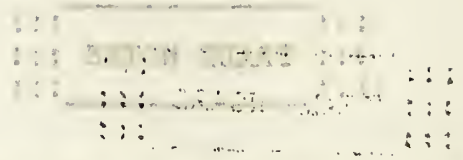
Internal Revenue Bureau collections of the Federal 5 percent excise tax on radio and phonograph apparatus in April, 1938, were $231,055.49, a decrease of 30 percent from the April, 1937, collections of $331,618.50.

Neel Enslen, radio announcer employed by the National Broadcasting Company, was found dead Sunday in the kitchen of his New York home. Five jets of a gas stove in the kitchen had been opened the police said and they listed the case as suicide.

The new RCA Victor radio tube, bearing the picture of Nipper, the Victor dog, will be promoted nationally by an advertising campaign in newspapers and magazines, it was announced last week at the convention of the Company's wholesalers in Atlantic City. It was also announced that a nation-wide contest among radio tube dealers will be held, with prizes for the fifty most accurate answers to the question, "How much money has been spent to advertise the name RCA Victor in the last ten years?"

Charles W. Horn, Director of Research and Development for the National Broadcasting Company has been elected President of the New York Electrical Society. Other officers elected included R. W. King, Assistant to Dr. Frank B. Jewett, President of the Bell Telephone Laboratories, First Vice-President, and George F. Fowler, member of the technical staff of the Bell Telephone Laboratories, Treasurer.

An export guide, a glossary of electrical and radio terms and instructions to exporters, has been compiled by the Electrical and Radio Division of the U. S. Bureau of Foreign and Domestic Commerce. It lists and classifies radio and electrical apparatus and there is other data of interest to export managers. Copies may be obtained by application to the Electrical and Radio Division at Washington.



The Chicago Evening American discontinued its radio news column, written by Esther Schultz, who has been transferred to the local news staff. The American continues to print radio programs, including a special selection of popular programs. The Chicago Daily News dropped its radio news column two months ago.

The executive heads of many of the greatest cities of the world, Mayor LaGuardia among them, took part in a recorded broadcast Sunday night over the Municipal Broadcasting station of Buenos Aires in honor of the station's opening.

William H. Grimditch, who has been in charge of the Engineering Department, has been made Vice-President in Charge of Engineering, and a member of the Board of Directors of the Philco Radio and Television Corporation. Thomas A. Kennally, Sales Manager of the organization, also has been chosen a member of the Board.

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HEARING ON G.E. TELEVISION REQUEST THIS WEEK

General Electric's four applications for television stations will be considered this week, beginning Thursday, by an Examiner of the Federal Communications Commission.

Among other participants in the hearing are the Columbia Broadcasting System and the Allen B. DuMont Laboratories, Inc., of Upper Montclair, N. J.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

RECEIVED MAY 28 1938

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No. 1129

COMMERCE DEPARTMENT TRACES RADIO'S GROWTH

Tracing by statistical charts the growth of the radio industry in the United States from 1922 to 1937, inclusive, the Electrical Division of the U. S. Bureau of Foreign and Domestic Commerce this week issued its fourth annual statistical number.

The report, compiled under the direction of John H. Payne, Chief of the Division, shows the following facts among others.

In 1922, only 100,000 radio sets, valued at $5,000,000 were sold in this country, whereas in 1937 the sales numbered 53,170,000 and grossed $38,282,400.

The record year for radio sales was 1929, when 69,000,000 sets were sold for $172,500,000.

There were only 60,000 radio-equipped homes in 1922 and no auto sets, whereas in 1937 there were 26,428,797 homes with radio receivers and 5,000,000 radio-equipped autos.

Table models, even in 1937, out-numbered the console models of receiving sets, but the two major classifications have varied in their comparative sales from year to year, with first one and then the other in the lead.

Exports of radio equipment by this country have risen rather steadily since 1927. Receiving sets sold abroad by American manufacturers, for instance, numbered 2,961,301 in 1927 and 16,129,321 in 1937.

Other statistical findings follow, in brief:

Radio Sets In Use	Jan. 1, 1938
U.S. homes with radios	25,800,000
Extra and "second" sets in above homes	6,000,000
Automobile radios in use	5,000,000
Total radio sets in use, U.S.	36,800,000
Total homes with autos	18,500,000
Total residence telephones	12,000,000
Total homes with electricity	22,500,000
Total homes in U.S.	32,000,000
Population in U.S.	129,500,000

U.S. Annual Bill For Radio

	1936	1937
Sale of time by broadcasters	$114,000,000	$125,000,000
Talent costs	36,000,000	40,000,000
Electricity, batteries, etc. to operate receivers	150,000,000	150,000,000
Radio sets sold	440,000,000	450,000,000
Replacement tubes	31,000,000	40,000,000
Radio parts, supplies, etc.	45,000,000	47,000,000
Servicing radio sets	75,000,000	60,000,000
U.S. Public Paid for Radio	$891,000,000	$912,000,000

Roll-Call Of Radio Industry

	Jan. 1,1937	Jan. 1,1938
Manufacturers of radio receivers	144	140
Manufacturers of radio tubes	13	14
Manufacturers of radio parts	620	625
Manufacturers of test equipment	55	60
Manufacturers of broadcast and amateur equipment	110	110
Manufacturers of sound equipment	95	115
Radio set and parts distributors	1,760	2,088
Manufacturers' agents	240	245
Retail outlets selling radios	50,300	61,000
Dealers doing 85% of radio business	15,000	16,000
Servicemen, including dealers8 servicemen	40,000	40,000
Radio amateurs and experimenters	80,000	81,000
Broadcasting stations	656	701

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MOSCOW MAPS MASS TELEVISION PLAN

A scheme for the reception at given points of television programs and their redistribution by land-lines to subscribers is being developed by the Institute of Scientist-Pioneers in Moscow, World-Radio reports. Pravda, the official Soviet newspaper, claims that by this method it is possible to reach 500 subscribers from each relay point, and it is hoped to construct special sets for this purpose.

The first regular experimental television broadcasts are due to begin in Moscow this month. Intensive tests have been conducted for some time past, and the final sitting and fitting up of the studios are now being taken in hand. Various television sets and transmitters were tried out, and to test the quality of transmission, receiving sets were placed at thirty different points in Moscow and its neighboring country. Cinema films and prominent artists will appear in the first regular transmissions.

There are bout a hundred television receiving sets in Moscow clubs, houses, and political and culture centers. Plans for mass production of cheap sets are in course of execution. During the present year the Leningrad television factory should produce 200 large television receiving sets of the type adopted for collective farms. Some have already been delivered. In addition, this factory has to construct 200 cheaper sets for individual use, says Pravda.

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CONGRESSMAN ASKS FCC PROBE OF S-W PROPAGANDA

Chairman Frank R. McNinch, of the Federal Communications Commission, was asked this week by Representative Bernard (Farmer-Labor), of Minnesota, to investigate reports of Nazi propaganda coming to the United States via short-waves.

Representative Bernard also asked the FCC to ascertain the backers of the Short Wave Institute of America and Oswald F. Schuette, its organizer, now with the Radio Corporation of America. The complete letter follows:

"May 23, 1938

"Hon. Frank R. McNinch, Chairman
Federal Communications Commission
Washington, D. C.

"Dear Mr. McNinch:

"For some time past I have been making an inquiry into the short wave broadcasting situation as it relates to the United States.

"I find that on the average receiving set which has come to my attention, the German government's broadcast programs are more easily received, and exist in greater number than those of any other individual nation. I noted, a few days ago, a newspaper compilation which states the German government broadcasts a total of 47 program-hours a day in English, for consumption of the American people.

"The policies and acts of Nazi Germany are abhorrent to the great majority of American citizens, and have been publicly condemned by official spokesmen for the government of the United States. Nazi propaganda is anti-Catholic, anti-Christian, anti-Jewish, anti-Labor, anti-democratic. It seeks to indoctrinate the people of America with theories of racism, nationalist aggression and war -- theories which, where they have been carried out by the Nazis themselves, have led to the suppression of racial minorities and religious freedom, to the forceful annexation of Austria and to the terrorization of all peace-loving peoples throughout the world. There is no place in America for such ideas and policies.

"Listeners to German programs who report to me in this matter state that in an average program there is music, 'news', which vilifies anything or anybody not consonant with the politics of the Nazis, and a 'chatterbox', conducted by one 'Jack', who acknowledges reception of letters from all over the United States and invites new correspondents. On Sunday evening last, I am advised by one listener, Jack responded to letter-writers all the way from Minnesota to Long Island, and offered to send them copies of the Horst Wessel song, and other Nazi literature.

"Now this is what I am most interested in:

Chairman Frank R. Wolfish, of the Federal Communications Commission, was asked this week by Representative Gerard (Pinkie-Labor), of Pinesota, to investigate reports of Nazi propaganda coming to the United States via short-wave.

Representative Gerard also asked the FCC to ascertain the backers of the Ought Wave Institute of America and Germania, its organizer, was with the Radio Corporation of America. The complete letter follows:

"May 02, 1939

"Hon. Frank R. Wolfish, Chairman
Federal Communications Commission
Washington, D. C.

"Dear Mr. Wolfish:

"For some time past I have been making an inquiry into the many broadcasting stations in Germany and in relation to the United States.

"I find most of the German broadcasting and radio set manufacturing activities, the German government's broadcasting and monitoring facilities, and extensive German-owned short-wave broadcasting stations in the United States, a few days ago, a telephone complaint was made to the German government by the Nazi total of 47 prohibited-there's day in English, for consumption of the American people.

"The policies and work of Nazi Germany are observed by the great majority of American citizens, and their public statements of official indorsement for the government of the United States. That propaganda is anti-Catholic, anti-Christian, anti-Semitic, anti-democratic, anti-labor, etc. It seeks to discredit the people of America, their leaders or system, and their religious institutions and [illegible] — Christianity, Judaism, Catholicism, Protestantism, and democracy. It seeks to undermine the faith of the people in their government, their institutions and their religious freedom, to the ultimate destruction of the Republic of all peace-loving peoples throughout the world. There is no place in America for Nazi-Fascism and Hitlerism.

"Believing as citizens generally do in the right of free speech, I do not wish to censor or ban their broadcasts, but I do feel that it is the duty of the Government to protect its citizens against subversive or improper and dangerous activities of the agents of the Nazis, and I therefore urge that immediate and thorough investigation be made of the activities of the Nazi broadcasting stations in the United States, and that the Federal Communications Commission take such steps as may be necessary to prevent the broadcasting of propaganda which is inimical to the welfare of the United States and detrimental to the interests of its citizens.

"This call is what I am most interested in:

"How did the German government happen to fix its broadcasting frequencies so they are most effective in the United States?

"In searching for an answer to this question I have come across some significant and pertinent information. At an informal engineering conference the Federal Communications Commission called in 1936, I find that on June 16, that year, one Oswald Schuette was a witness before you. He appeared, as he stated himself, as the representative of the Short Wave Institute of America, and argued at length for expansion of short wave radio reception. When asked by Mr. Craven, then your chief engineer, who composed the Institute, Mr. Schuette replied:

"'It is an incorporated body, and I would say that the associates who are supporting it are not represented in their views, and I see no reason, therefore, to go farther.'

"Now Mr. Schuette is a known and unrestrained admirer of the Nazis. He makes no attempt to conceal it, according to information that has come to me. I do not suggest that he has done anything unlawful, but I respectfully request that you make a thorough investigation of the Short Wave Institute of America, with the following specifically in mind:

1. Why has Mr. Schuette refused to identify his backers?
2. Who are his backers?
3. Do they include members of the Radio Manufacturers' Association, and if so, why was not that duly constituted trade association assigned the responsibility of propagandizing in Washington for the short wave installations that have ensued?
4. Do members of the RMA like short wave installations?
5. Do the broadcasting chains, such as NBC and CBS like short wave, in view of the fact that it takes listeners away from their programs?
6. Who assigned the range of frequencies known as 'short wave' which are found on the average radio set offering that type of reception?
7. Has the Federal Communications Commission had anything whatsoever to do with the short wave reception installations, in the way of fixing range of frequencies, standards of quality, and the like?
8. Specifically, if Mr. Schuette's associates include any foreign government, the agents of any foreign government, or of any political party or faction or clique in any foreign government -- who are they and in whose interest do they take formal or informal action?

"I trust that you will recognize the need of immediate action in this matter. Any further information or help from me that you feel necessary to the inquiry, I will try to furnish."

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TELEVISION CALLED AID TO ARTS PROGRAMS

The chief obstacle to really satisfactory arts programs - visual presentation of art - would be automatically surmounted with the advent of television, the American Federation of Arts was told this week at the second day's session of its 29th annual convention in Washington.

C. W. Farrier, television co-ordinator of the National Broadcasting Company, said the use of television technique would eliminate the long descriptions of art objects now necessary in sound radio. He emphasized, however, that such programs must be entertaining as well as informative since those at the television receiving sets could still reserve the right to twist dials to another program.

Discussing the progress of television, Mr. Farrier said it was still very much in the experimental stage and there are so many phases to be considered that no one person could forecast when television will be ready as a public service.

He pointed out, too, that even when television passes the formative stage, it probably will be virtually impossible to reach the whole population of the United States because of the limited number of wave lengths available.

Manufacturers, he said, are not yet willing to undertake commercial manufacture of television receiving sets because this new technique will undergo many changes before it will be ready for the public. He pointed out each change would necessitate rebuilding every receiving set.

Dr. Bernard Myers of the Department of Fine Arts of New York University, told the delegates development of an art-conscious public would have to begin with the training of youth. The youth of today, he said, is radio and movie minded and would rather look and hear than read. In this field of training, radio, television and the motion picture can play a very important part, he said.

Broadcasts on art must, however, be made more national in scope than they have been up to the present time, he said.

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A two-way short-wave radio set was responsible for the recent conviction of a Washington man for attempting to bribe a policeman. A detective placed a transmitter in the defendant's car and a receiver in his own auto and thus heard the conversation.

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BROWN, SYKES NAMED AS PROTECTORS OF NETWORKS

Commissioners Thad H. Brown and Eugene O. Sykes were charged with being unduly interested in the welfare of the National Broadcasting Company and the Columbia Broadcasting System, respectively, Thursday by Representative Connery (D.), of Massachusetts.

Repeating charges he had made before the House Rules Committee in support of his late brother's resolution calling for a Congressional investigation of the radio industry and the Federal Communications Commission, Representative Connery also asserted that the Commission is more interested in station profits than public interest.

"That the radio monopoly controls the activities of some members of the Commission is general talk", Representative Connery said. "Any time a question comes up which concerns the National Broadcasting Co., Commissioner Brown is said to be very active and credited with taking very good care of their interest, while when a matter comes before theCommission concerning the Columbia Broadcasting Co., Commissioner Sykes is said to be very active in their behalf. . . .

Other members who renewed their demands for a Congressional inquiry were Representatives McFarlane (D.), of Texas, and Wigglesworth (R.), of Massachusetts.

Representatives McFarlane and Wigglesworth reviewed charges previously made relative to the industry, while Representative Connery directed his fire chiefly at the Commission.

Five reasons were cited by Congressman Connery for a Congressional inquiry. They were:

"1. Proven inefficiency of the Commission to protect the public.

"2. Existence of a dangerous radio monopoly which has been promoted and protected by some members of the Commission.

"3. The broadcasting of indecent, profane, and obnoxious radio programs, with little or no action on the part of the Commission.

"4. Broadcasters challenging the honesty of elected officials, such as alleging that votes of the members of a legislative body can be bought for $100 down to a pound of tea, without any action on the part of the Commission.

"5. No apparent effort on the part of the Commission to insure the carrying out of the Communications Act wherein licensees hold and secure renewal of licenses only when public interest, convenience, or necessity is service."

"The Commission in granting licenses has taken into consideration not whether the applicant can or will serve public interest, but, in the main, will the radio station be profitable? A few weeks ago the head of the radio monopoly, Mr. Sarnoff, addressed a meeting and his speech was printed in a 15-page booklet. Nowhere in the book will you find where he contended that his company was serving public interest, convenience, or necessity. His whole motive was profits.

"The inefficiency or lack of interest on the part of the Commission as to whether the law is being carried out and whether or not radio stations are serving public interest, convenience, or necessity, deprives local people from being able to secure radio licenses to serve their home communities because almost every desirable wave length of high power has been gobbled up by the National Broadcasting Co., theColumbia, the Mutual, and their affiliates."

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KGO POWER RAISE DENIED; NEW GEORGIA STATION

The National Broadcasting Company this week lost its fight before the Federal Communications Commission for a power increase for its San Francisco station, KGO. The FCC rejected an application for an increase in power from 7.5 KW to 50 KW.

At the same time the FCC authorized construction of a new 100-watt station at Savannah, Ga., for operation on 1310 kc. The applicant was Arthur Lucas.

Regarding the KGO decision, the Commission said:

"Station WGY, Schenectady, New York, operates on the frequency 790 kilocycles (as does Station KGO, the applicant) with power of 50 kilowatts, unlimited time. Station KGO now operates with a non-directional antenna and it limits the service area of Station WGY. The applicant proposed to operate with a directional antenna. Such operation would be expected to decrease present interference by Station KGO in the primary service area of Station WGY; but the operation ofStation KGO as proposed would cause approximately the same interference within the secondary service area of Station WGY as now exists; and there would be no change in the interference in the San Francisco area by the operation ofStation WGY.

"When this proceeding was heard before the Examiner, the application of Station WGY, Schenectady, N.Y. , for an increase of power to 500 kilowatts, unlimited time, was pending. The actual separation ofSchenectady, N.Y., andSan Francisco, Cal., is 2,538 miles. If the pending application of Station WGY should later receive favorable consideration, the operation of

that station with power of 500 kilowatts would limit Station KGO operating at night, as proposed, approximately to its three millivolts per meter night contour."

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HOUSE COMMITTEE TO QUESTION MEMBERS OF FCC

Chairman Frank R. McNinch and other members of the Federal Communications Commission will be questioned next week by the House Rules Committee, Chairman O'Connor (D.), of New York, stated Thursday following another hearing on resolutions calling for radio investigations.

Representative O'Connor indicated that the Committee will not go deeply into the charges but ask for expressions of opinion as to the need for an inquiry and as to the form it should take. Members of the Committee intimated they may base their votes on the advice of the Commissioners.

The Committee, however, will find the Commission divided if all the members are called. Chairman McNinch and Commissioner Eugene O. Sykes have indicated they believe that the FCC should be permitted to conduct its own monopoly investigation as planned, while Commissioners T.A.M. Craven and George Henry Payne have publicly advocated a Congressional inquiry.

Even the Commissioners who would prefer to let the FCC continue its own probe, however, are not likely to object too strenuously to a Congressional inquiry when questioned on Capitol Hill because of the implication that they have something to hide.

Any investigation that may be ordered by Congress now will have to be conducted during the recess if present plans for adjournment early in June are followed. If the House conducts the inquiry, it will be either brief or delayed until after the November elections as most members are anxious to return home immediately after adjournment.

Should the Rules Committee decide to report out an inquiry resolution, it will have to hurdle the House Accounts Committee, which must approve the allocation of funds. Chairman Warren (D.), of North Carolina, who is friendly with Commissioner McNinch, has stated his opposition to a Congressional inquiry on the ground that it is unnecessary.

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SHEPARD LOSES FIGHT ON WMEX; WDEV RENEWED

The Shepard Broadcasting Service this week lost its fight to block Station WMEX, Boston, from improving its facilities by transferring from 1500 to 1470 kc. and increasing power from 100-250 watts to 5 KW., unlimited time.

At the same time the Federal Communications Commission rejected an application of the Westinghouse Electric & Manufacturing Co. in behalf of WBZA, Springfield, Mass., and renewed the license of Station WDEV, Waterbury, Vt. Commissioners Case and Sykes filed dissenting opinions.

The Shepard Broadcasting Service, in behalf of WNAC, claimed that the improvement of WMEX's facilities would curtail WNAC's revenue. Other Boston stations made similar protests.

"The charge that the granting of the application under consideration would increase competition wherein the protestants will be involved and will inflict upon them pecuniary loss is mostly a matter of conjecture", the FCC said, "and the testimony offered to sustain the charge leaves the prospect so problematic as not to furnish a present substantial basis for the protests made or for any sound judgment based thereon."

Westinghouse now operating WBZA on 990 kc, 1 kw. power, unlimited time, had asked for construction permit to install new equipment, including a directional antenna, and to change the operating assignment to the frequency 550 kilocycles, with the same power and hours of operation as at present. The applicant further requests that Station WDEV be assigned the frequency 560 kc., with power of 500 watts, daytime, in lieu of its present assignment of 550 kilocycles, with power of 500 watts, daytime.

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I. T. & T. ELECTS 21 DIRECTORS

At the annual meeting of the International Telephone and Telegraph Corporation, held in Baltimore, Md., Wednesday, the following Directors were elected:

Arthur M. Anderson, Sosthenes Behn, F. Wilder Bellamy, Daniel C. Borden, John W. Cutler, Charles E. Dunlap, Allen G. Hoyt, Russell C. Leffingwell, Clarence H. Mackay, John L. Merrill, Walter E. Ogilvie, Henry B. Orde, Samuel G. Ordway, Frank C. Page, Bradley W. Palmer, George E. Pingree, Wolcott H. Pitkin, Lewis J. Proctor, Gordon S. Rentschler, William F. Repp, and Mark A. Sunstrom.

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MISSOURI BLIND STUDENTS PRESENT RADIO SERIES

Writing their own scripts on modern mechanical writers for the sightless and then speaking to an outside world they will never see, students of the Missouri State School for the Blind are conducting a unique radio workshop at their school in St. Louis.

Undaunted by their inability to prepare and read radio scripts like sighted persons, the blind students of the Missouri school throughout this school year have presented their own series of radio programs by using the facilities of a local St. Louis radio station.

How these blind students have overcome their own handicaps in order to take advantage of new opportunities in education offered by radio, is described in the May issue of School Life, published by the United States Department of the Interior, Office of Education.

The idea for this unusual radio workshop developed with the Missouri blind students two years ago. They had no knowledge of script writing or microphone technique. But they could learn. Fired with the same spirit of determination that made Helen Kellar famous, the students learned they could obtain copies of radio scripts, "Interviews with the Past", from the Office of Education Script Exchange.

"When the scripts arrived", says School Life, "the students realized one of the first lessons in radio technique, that a great many words can be spoken in 15 minutes. They received 90 pages of printed material to be put into about 180 pages of Braille before they could begin rehearsing."

S. M. Green, veteran superintendent, who for years has shepherded the blind school students, obtained Braille paper. He assigned Miss Roberta Emley, a young blind student, to the laborious task of translating the scripts into Braille to be read by the students with their finger tips.

Word for word, Miss Emley reproduced the parts to be presented over the radio. She used a machine strikingly similar to a typewriter instead of the older method of slate and stylus for pin holes. Finally, Miss Emley's work was done. It was to forge another link between the blind and the great outside world, now becoming less and less of a never, never world to them.

Miss Anna McClain Sankey, of the Speech Department of the school for blind made contact with radio stations. At first, there was a hitch. Radio station managers were doubtful. Blind students hadn't conducted radio programs. But Miss Sankey was persistent. She found a station - WEW of St. Louis University - willing to put the blind students on the air.

So rehearsals began. Parts were assigned and memorized with great care. They used for practice a small portable radio, broadcasting their programs from room to room in the school. At last they went on the air.

These Missouri blind students have been heard each week by large audiences over WEW. Their pioneering means new social adjustments for the students, developing their personalities, and giving the world, according to officials of the school, a more definite idea of the capabilities of the blind.

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ILLINOIS AMATEUR GETS PALEY AWARD

Robert T. Anderson, operator of amateur radio transmitter W9MWC, Harrisburg, Ill., has been selected for the 1937 William S. Paley Amateur Radio Award, it was announced by the Columbia Broadcasting System. He will receive the trophy, designed by Alexander Calder, at a luncheon at the Waldorf-Astoria Hotel on June 9. The presentation by Mr. Paley, CBS president, will be broadcast over WABC's network.

The selection of Mr. Anderson was based on his efforts in the January, 1937, flood emergency, when he worked for four days, getting only ten hours sleep, to obtain means of evacuation for the 1,500 inhabitants of Shawneetown which was threatened with inundation by the Ohio River.

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J. R. Poppele, Chief Engineer of Station WOR, returned this week from Europe after an extensive tour of the continent. He visited over nine countries and studied radio conditions, particularly the European progress in television and facsimile. On Saturday, May 28th, from 7:15 to 7:30 P.M., Mr. Poppele will be interviewed over WOR and the Mutual network by Tom Slater of the WOR staff. He will discuss his observations in the radio field and give a comprehensive word picture of the progress of radio in Europe.

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THERE WILL BE NO ISSUE OF THE HEINL NEWS SERVICE ON TUESDAY, MAY 31ST, DUE TO THE FACT THAT THE GOVERNMENT OFFICES WILL BE CLOSED ON MONDAY, MAY 30TH.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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No. 1130

RECEIVED JUN 4 1938

FCC ANNOUNCES PROCEDURE FOR POWER HEARING

The Federal Communications Commission this week announced its procedure and the order of appearance of witnesses at the hearing on its new rules and regulations which will begin next Monday and run for possibly a month. More than 100 broadcasters and organizations will be heard.

With broadcasters divided on issues of super-power, use of clear channels, and other technical questions, the hearings promise to produce considerable fireworks.

Commissioners T.A.M. Craven, Norman Case and George Henry Payne will preside at the inquiry and afterward report their findings and recommendations to the entire Commission for action. Although the hearings will be open to any testimony regarding any of the new rules, the two major issues are expected to be:

Whether the FCC will change its present rule limiting regular broadcast stations to 50 KW. power, and

Whether clear channels are to be opened further for regional station operation.

Immediately after the hearing on the rules the FCC committee will delve into the WLW case, which while involving only a single station is likely to produce as many sensations in view of the past scraps between Commissioner Payne and Powel Crosley,Jr., owner of WLW.

On the outcome of this hearing will depend whether WLW, now the nation's most powerful station will continue to operate experimentally with 500 KW.

Commissioner Case, though a Republican, will preside at the hearings. Chairman Frank R. McNinch, of the FCC, is an ex-officio member of the super-power committee and is expected to attend the hearing irregularly.

George Porter, Assistant General Counsel, will be in charge of the case for the Commission, whereas the stations and organizations will be represented by a score of lawyers.

The clear channel issue is to be injected into the inquiry by the recently organized National Association of Regional Broadcast Stations. The Clear Channel Group, on the other hand, will defend the exclusive use of the frequencies for high power and at the same time will make a fight for super-power.

The first major witness scheduled is the National Committee on Education by Radio. Following will be the American Civil Liberties Union and the National Association of Broadcasters. All other witnesses are direct station operators or networks.

In connection with the hearing the FCC said:

"All testimony received in the hearing will be under oath but a reasonable departure from the strict rules of evidence will be permitted. A witness may give testimony on behalf of groups of stations or parties. The use of prepared statements in question and answer form will be permitted provided a copy thereof is furnished to counsel for each party at the time of hearing. Cross-examination of witnesses generally will be by the Commission and its staff. Cross-examination of Commission's witnesses will be permitted. Requests for cross-examination of other than Commission witnesses will be considered at the time of hearing.

"It is contemplated that at the beginning of the hearing certain factual data compiled by the Commission from questionnaires will be submitted for the record in order that the various parties in interest may have ample time to examine it."

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EX-LOUISVILLE MAYOR TO BE PRESIDENT OF NAB

The search of the National Association of Broadcasters for a paid president who will defend the interests of the industry before the Federal Communications Commission, Congress, and critics apparently has ended.

Neville Miller, former Mayor of Louisville, Kentucky, and now Assistant to the President of Princeton University, has been selected by the NAB Executive Committee. Formal ratification of the choice is expected next Monday at a meeting of the Board of Directors in Washington. He probably will take office July 15th.

The salary of the "radio czar" will be $25,000 a year with $5,000 allowed for expenses.

While not carrying a big name such as broadcasters were reported to be looking for early this year, Mr. Miller achieved a national reputation as Mayor of Louisville during the flood of 1937. He is an intimate friend of Mark F. Ethridge, who has been acting head of the NAB since its reorganization. Mr. Ethridge will return to his post as General Manager of the Louisville Courier-Journal and Times and Station WHAS.

Ulric Bell, Louisville newspaper correspondent, described the prospective NAB President for Broadcasting Magazine as follows, in part:

"He is the last man in the world one would take for a 'czar'. Yet Nevill Miller was in supreme command of a great American city under catastrophic conditions, and emerged not to be damned but to be lionized.

"His manner, in some degree, is that of a schoolboy. But his record is that of a man who once routed the whole United States Army, overwhelming red tape, gold braid and brass hats by knowing what he wanted and feeling that he was right.

"Neville Miller was not taken too seriously as Mayor of Louisville by two great corporations of the country when he set out to obtain what he deemed were just utility rate reductions. But their lawyers and statisticians discovered that he could compete with them on their own ground because he set for himself the task of learning their business.

"He is not a great orator or a professional politician. But his administration as Mayor was called so pronounced a success that he could have commanded bi-partisan backing for higher office had he chosen. One office which beckoned to him was the Governorship of Kentucky.

"He is a student, a scholar, a Bible teacher, a lawyer, a little bit of a recluse, a soft-spoken, gentlemanly fellow who has a ready smill and nothing of the 'iron man' about him. But watch out if he is pitted against you.

"Tall, a little stooped but with an energetic stride, Neville Miller at 44 has had experiences of such diversity that his mildness of manner is probably only a manifestation of inner assurance."

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C O R R E C T I O N: BEG YOUR PARDON!

Several statistical mistakes occurred in the story carried in last week's news release on a Commerce Department report on the radio industry. The mistakes resulted from the inadvertent confusion of figures on tubes and on receivers in a table covering sales from 1922 to 1937, inclusive.

The correct figures on sales of receivers in 1937 are 7,631,267 and the gross return $404,457,150. For the year 1929 the sales were 4,428,000 with a gross of $592,068,000. The greatest sales, however, did not occur in 1929 but in 1936, when 8,158,290 were sold for $464,007,000.

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PAYNE ACCUSES COLLEAGUES AT HOUSE HEARING

Commissioner George Henry Payne accused his colleagues on the Federal Communications Commission of "yielding too greatly" to the influence of "radio lobbyists" on Thursday during an open hearing of members of the FCC by the House Rules Committee.

The Committee, which is considering demands for a Congressional investigation of the radio industry and the Communications Commission, summoned Mr. Payne to return next Tuesday, when he will amplify his charges in a closed session of the Committee.

Chairman Frank R. McNinch told the Committee that the FCC is preparing to make its own investigation of charges of monopoly and other unlawful practices and implied, without saying so, that a Congressional probe is unnecessary.

Commissioner Payne charged that "free competition" is rapidly disappearing in broadcasting and that the industry has exchanged its social consciousness for "spoils".

Questioned by Representative Eugene E. Cox (D.), of Georgia, Commissioner Payne admitted that he was accusing his colleagues of "yielding too greatly" to the influence of a group of powerful lobbyists. He refused, however, to accede to Representative Cox's request that he back up the charges immediately. "At an investigation, I should be glad to take an oath and testify", Mr. Payne said.

His stand was defended by Committee Chairman John J. O'Connor (D.), of New York, who said the meeting would be turned into an investigation if Commissioner Payne were to answer such questions.

The Commissioner charged that several of the lawyers practicing regularly before the FCC have become "arrogant and are in the habit of commanding, rather than of asking or pleading."

"Not long ago one of these lawyers actually doctored the records of the Commission in a case in which he was interested, and, in addition, violated two stringent rules", he said.

"The tendency in the broadcast industry is to strengthen and perpetuate two or three powerful chains", he continued. "In fact, at the present time, the National Broadcasting Company, the Columbia Broadcasting System and the Mutual Broadcasting System own or control most of the best facilities on the airwaves. Huge profits have been made by many broadcast stations to the detriment of the public.

"The tendency in programming is to establish a dead level of mediocrity in order to please the greatest number of people. In the attempt of the stations to reach the lowest common denominator, radio is driving intelligent people away from their receiving sets."

Commissioner McNinch told the Rules Committee that the FCC is prepared to start its own investigation, in accordance with a resolution adopted March 18th, to determine whether monopolistic relationships exist between the three large broadcasting chains and stations using their programs.

He said that the legal staff already has completed a two-volume analysis of radio contracts. Commissioner Payne contended, however, that the FCC has neither the facilities nor the time to conduct such an inquiry.

Chairman McNinch testified that since he had been appointed Chairman by President Roosevelt last Fall, the FCC's docket had become "practically current" and that transfer applications which had lain untouched for months were disposed of "some favorably, some unfavorably."

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DEALER RESPONSE POINTS TO INCREASED RADIO SALES

Dealer response to the 1939 radio models shown by leading companies for the first time last week was considerably better than had been expected, sales managers of the various companies reported, according to the New York Times. In one instance the week's quota for a large company was reached on Tuesday and other organizations reported that the orders placed by dealers were greater than they had anticipated.

"Among the companies introducing new models", the Times said, "were General Electric, RCA-Victor and Philco. Dealers were said to be enthusiastic, because of the strengthening of the price structure through fair trade contracts, and bought their initial requirements liberally.

"Manufacturers admitted that the season just closed was a bad one, with several changes made in the standing of the various companies in sales volume. Over-production and price-cutting among dealers were demoralizing factors. Output this season, however, will be watched carefully, and price wars are expected to be reduced to a minimum."

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STATION COMPETITION HELD ESSENTIAL BY COMMISSION

Competition in the broadcasting field was held essential under the Communications Act by the Federal Communications Commission in two decisions involving newspapers, announced this week.

The Louisville Times Co., which operates WHAS, was refused a construction permit to build and operate a 100-watt station as well on the ground that it would have an advantage over Station WAVE, also of Louisville.

At the same time the FCC refused to sanction the purchase of Station WREN, Lawrence, Kans., by the Kansas City Star Company, of Kansas City, Mo., which now operates WDAF. The Kansas City Star had agreed to purchase the station for $295,000.

Regarding the Louisville Times application, the Commission said:

"The underlying principle of the provisions of the Communications Act of 1934 relating to radiobroadcasting is that radio facilities must be licensed by the Commission to the end that the public will be best served. In effecting this requirement of the Act the Commission must consider many elements, one of which, in this case, becomes of particular importance, namely, the furtherance of competition in program service to a community to the end that the best service will be made available.

"It is true that in this instance the applicant is the licensee of a cleared channel station, and the application herein is for a local station, and it may be argued that the element of competition is not present as the services are different. But the cleared channel station serves all of the area which the proposed local station would cover, and as the people residing in that area may listen to only one station at one time, it is manifest that they would have to choose between the two. It is clear, therefore, that the two stations must necessarily compete for public reception.

"At the present time Stations WHAS and WAVE are in a position to compete for both commercial support and public reception. Granting a local station to WHAS would unbalance this competitive situation as it would place in the hands of the latter (which also has a monopoly on daily newspaper expression in the community) an outlet for local programs and commercial advertising.

"The Commission has heretofore pointed out that the available frequencies in the broadcast band are limited, and the Commission is loathe to grant facilities for an additional broadcast station to one who already holds a license for a

station in the same community unless it is clearly shown that the public convenience, interest, or necessity would be served thereby. Other things being equal, it would appear that if there were a need for an additional local broadcast station in a community and if there were a frequency available for this service, the facilities should be granted to someone who does not already hold a broadcast license for an unlimited time station in that community. Experience shows that where a real need exists for radio service in a populous area, applications to establish service are readily forthcoming.

"In order to assure a substantial equality of service to all interests in a community, to assure diversification of service and advancements in quality and effectiveness of service, the Commission will grant additional facilities to identical interest only in cases where it clearly appears that the facility, apart from any benefit to the business interests of the applicant, is for the benefit of the community, fulfilling a need which cannot otherwise be fulfilled. The applicant, in this case, has failed to show that, in the operation of two stations, the program service of each would afford the greatest benefit to the community, and therefore the public interest, convenience and necessity will not be served by granting the application."

As to the Kansas City Star's application, the Commission said:

"Station WREN, Station WDAF, and Station KMBC, which serve substantially the same area, now compete on equal terms, each having the same day and night power. If the transfer were to be approved by the Commission, Stations WREN and WDAF would be owned and controlled by the same interests and would compete with Station KMBC, thus creating a situation in the service area of these stations in which, instead of three equally powerful mutually competitive stations, there would be one station having as a competitor the owner and operator of two equally powerful stations. This would obviously place Station KMBC at a serious competitive disadvantage as well as materially reduce competition in the area."

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Which radio programs are most popular with WLW listeners will be determined in the coming two weeks during a letter-writing contest being conducted by the Nation's station in cooperation with the Cuban National Tourist Commission, according to James D. Shouse, Vice-President of the Crosley Radio Corporation in Charge of Broadcasting.

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RADIO MONOPOLY BAN PROPOSED BY SHAPPARD

Senator Sheppard (D.), of Texas, who has had little to say regarding the suggestions for a radio investigation, has introduced in the Senate a bill to amend the Communications Act so as to prevent monopolies and to prohibit excessive duplication of broadcasting programs in any area.

The bill seeks to amend Section 307 and to be known as Section 307½ and would read as follows:

"Sec. 307½ (a) For the purpose of this section a network program is defined as any program lasting five minutes or longer which is broadcast simultaneously from two or more broadcasting stations, whether by wire, aerial reception, electrical transcriptions, recordings, film, or otherwise, or which being broadcast over any broadcasting station is recorded and thereafter rebroadcast or repeated from another such station.

"(b) The Commission is directed to refuse licenses and renewals of licenses to any broadcasting station having an authorized operating power in excess of fifty kilowatts over which there shall be broadcast any network programs as defined in this section.

"(c) Upon formal advance application therefor the Commission may from time to time authorize any station having authorized power in excess of fifty kilowatts to broadcast network programs when the public interest will be served thereby but in no calendar month shall such authority cover an aggregate period of more than one hour.

"(d) The Commission shall publish in the Federal Register appropriate regulations for the enforcement of this section."

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FCC TO PROBE NBC-WESTINGHOUSE CONTRACT

The Federal Communications Commission this week ordered that a hearing be held with regard to the contract between Westinghouse Electric & Manufacturing Company and the National Broadcasting Company, dated November 21, 1932, to determine whether any provision of the Communications Act is violated thereby and whether the agreement is in fact or in law a lease. Such hearing is to be conducted by the Special Committee investigating chain broadcasting, the Special Committee to fix the date and have authority to correlate this matter with other phases of its investigation.

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THREE STATIONS DELETED; TWO NEW ONES ORDERED

The score was 3 to 2 this week as the Federal Communications Commission deleted three existing stations by refusing to renew their licenses and granted construction permits for new stations to two applicants.

Stations which were ordered off the air are:

WMBQ, of Brooklyn, N. Y., operated by the Metropolitan Broadcasting Corp., on 1500 kc.; KWTN, Watertown, S. D., operated by the Greater Kampeska Radio Corporation, on 1210 kc.; and KGDY, Huron, S. D., operated by the Voice of South Dakota, on 1340 kc.

New stations to be set up are:

Carl Latenser, Atchison, Kans., using 1420 kc., 100 watts power, daytime.

Dorrance D. Roderick, El Paso, Texas, using 1500 kc., 100 watts power, unlimited time.

In deleting the Brooklyn station the Communications Commission settled a row that has been going on for several years and granted WMBQ's facilities to Station WWRL, New York, with which it had shared time. The Commission charged WMBQ with broadcasting "information pertaining to a lottery" and failing to "exercise proper control over the broadcasting of foreign commercial announcements."

The two South Dakota stations were charged with operating contrary to the Commission's technical rules. Station KGDY, it was said, has been silent more than a year because of defective equipment.

The FCC granted a license for a new station at El Paso although El Paso has two stations, KTSM and WDAH, which share time on 1310 kc. The latter case has been pending before the Commission for two years and heard by the U. S. Court of Appeals.

The Court this Spring remanded the case to the FCC for further hearing on appeal of the Tri-State Broadcasting Company, which operates Stations WDAH-KTSM. The FCC, however, has again granted the application, though apparently in accord with the Court's rulings.

"The presence and operation of an additional radio station in El Paso", the Commission said, "will result in the creation of a competitive situation between the applicant and the licensee of KTSM-WDAH. However, in view of the fact that for the years 1934 and 1935 the existing licensee made a profit which is about 19 percent in 1934 and about 28 percent in 1935

on its investment, in addition to paying a substantial bonus to its manager, and which operated during the years 1929-33 without losing money, although operating in a manner which was admittedly antagonistic to the people in El Paso, and still having had but a small part of the potential business of the City of El Paso, it does not appear that the expected competition will immediately or ultimately result in such a reduction in income to Tri-State Broadcasting Company (KTSM-WDAH) as to require deterioration of its service to the listening public. Such competitive condition may reasonably be expected to insure an improved broadcasting service to the City of El Paso."

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G.E. DEVELOPS RADIO WITH A MEMORY

Radio engineers of the General Electric Company this week demonstrated in Bridgeport, Conn., an "electrical memory", which they described as "time-tuning". The development means that the performance of a radio receiver during every 15-minute interval of a full 24-hour day can be predetermined.

"The effect of time-tuning is that of adding a silent master of ceremonies to the household", declared P. F. Hadlock, G.E. engineer. "This ghostly individual will awaken the family by turning on the radio in the morning, and will remember to shut off the power at the appointed time at night, even if everybody has fallen asleep. Selected programs will automatically be tuned in at their scheduled time during any 24-hour period and in between times the radio will shut itself off if it has not previously been directed to continue. Lacking the human frailty of the average listener, who often intends to tune in a specific broadcast, but doesn't, the electrical memory device is infallible - it can't forget."

The new development consists of a simple but ingenious radio time control unit which permits the preselection of favorite programs, throughout the entire day and night, on five different stations. The preselector is divided into ninety-six 15-minute time intervals. In practice a user consulsts radio programs for the ensuing 24 hours, moves the correct slider-contacts into position - and the automatic control takes complete charge. The cycle will be repeated each day unless further changes are made in the setting. A self-starting electric clock in the center of the control panel maintains absolute accuracy in automatic operation once it has been set and an electrical connection made.

The pretimer does not interfere at any time with the normal operation of the radio receiver, and stations may be manually tuned if desired. Afterwards the receiver will revert to the schedule which has been laid out for it.

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HEARING ON SHIP RADIO POWER ORDERED

The Federal Communications Commission, upon its own motion, this week ordered an investigation of the facts, circumstances and conditions affecting the determination of power required for ship transmitters in order to comply with the terms of treaty and statute. The Commission scheduled this matter for hearing on September 12, 1938, at 10 A.M., in the offices of the Commission in Washington, D.C., before a Commissioner, to be designated by order of the Commission at a later date.

"Any person who desires to present evidence bearing on this rule at the hearing scheduled shall file notice of intention thereof at least 10 days in advance of the date set for such hearing", a FCC statement said.

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TRADE NOTES

Station WRVA's new transmitter of 50,000 watts is due to go on the air about October 1st. CBS has just announced new rates for the station, which will have the strongest signal in the area between Philadelphia and Charlotte, N. C.

Following receipt of a report by the Federal Communications Commission to the House and Senate regarding interference from apparatus using radio frequency electrical interference, Chairman Wheeler, of the Senate Interstate Commerce Committee, introduced S.4074 giving the Commission authority to prescribe such restrictions and conditions as are necessary to prevent interference from medical apparatus and similar devices employing radio frequencies.

David Sarnoff, President of the Radio Corporation of America, was awarded the degree of Doctor of Commercial Science this week by Oglethorpe University at Atlanta, Ga.

The United States Court of Appeals for the District of Columbia last week, in effect, affirmed the granting by the Federal Communications Commission to Station WATR, Waterbury, Conn., of a change in frequency to 1290 kc., an increase to 250 watts power and unlimited hours of operation, by dismissing the appeals of Stations WJAS, Pittsburgh, Pa., KDYL, Salt Lake City, Utah and WEBC, Duluth, Minn., on the ground that none of the three stations had an appealable interest.

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AVAILABLE

HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

NATIONAL BROADCASTING CO., Inc. LEGAL DEPARTMENT RECEIVED JUN 8 - 1938

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No. 1131

June 7, 1938

ETHRIDGE RAPS FCC CONTROL OF PROGRAMS

Mark Ethridge, retiring President of the National Association of Broadcasters, told the Federal Communications Commission this week that the Commission's proposal to judge cultural standards for radio programs was inconsistent with principles of democracy, as hearings opened on proposed new rules and regulations for the broadcasting industry.

John V. L. Hogan, of New York City, radio engineer and Chairman of the NAB Engineering Committee, discussed the technical phases of the proposed new rules, suggesting a number of changes.

Representing the National Committee on Education by Radio, S. Howard Evans declared that there was a need for more cultural programs and that more of them should be required by the Commission.

Regarding the proposed rule that the Commission would take into account "such cultural programs as may be required", in authorizing new stations or increasing power authorizations, Mr. Ethridge said, in part:

"It is not suggested that the Commission should not take into account the program service of broadcasters in passing upon applications for various authorizations.

"The program structure of an individual station obviously is the most important element in standard of public interest. But there is a vast difference between the Commission considering the general program structure and laying down program specifications to which the licensees must adhere.

"It is a matter of common knowledge that the American system has produced the highest type and widest variety of programs in the world. * * *

"But if the Government assumes control and attempts to dictate the types of programs to be broadcast, the very foundation of the existing system is destroyed. * * *

"I confess to a total inability to understand how any group of men or women would be able to draw a cultural pattern in a democratic country. Of course, it can be done, after a fashion, at least, in a country that has a dictator. Herr Goebbels has the power to order all opera companies in Germany to give only Wagnerian operas, as he did for one year, and the

people hear Wagner, whether they like it or not. He has the power, and exercises it, to purge the libraries and the people have to read what Mr. Goebbels thinks is good for their minds. Germany is the perfect example of a country that has a fixed pattern of culture and it is the most eloquent testimony to the contention that a country cannot have rigid pattern without military enforcement. In other words, capsule culture is incompatible with democracy.

"Under the competition between networks and the individual stations themselves the quality of radio programs has been constantly improving and will continue to improve as talent in this country is developed and as broadcasters themselves learn the new uses of talent."

Mr. Ethridge also opposed the proposals for continuation of the six-month license system, limits on "absentee ownership of stations, and restrictions on experimental broadcasting.

Regarding the short-term licenses, he said, in part:

"It is our feeling that the short-term license is actually against the public interest. * * *

"Certainly, it cannot be in the public interest for a business with such a great investment to have any uniform element of uncertainty, applicable to all stations and to all owners. If the industry is to be subjected to regulation - and we have no desire to contest the right of the Commission to regulate along the lines laid down by Congressional policy - then it should be given at least a minimum assurance which is now lacking - an assurance which only the Commission itself can give.

"The short-term license operates against the public interest in that it tends to foster, rather than to discourage, exploitation of radio facilities. * * *

"The broadcaster is confronted, upon the one hand, with the necessity for large outlays if he is to keep pace with the Commission's engineering and public interest requirements, and, on the other hand, he has the uncertain and hazardous factor of a short-term license.

"There is another element of which the Commission must certainly be aware. The short-term license is against the public interest in that, whatever may be its purpose as far as the Commission is concerned, it is an effective threat over the control or management of a station. * * *

"To my mind, the Commission could make no gesture more reassuring of its own solicitide for the full play of democratic forces and it could do nothing more encouraging to the individual stations to raise their own program standards than to extend the terms of the licenses."

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RMA COUNSEL ASSAILS WASHINGTON BUREAUCRACY

Washington bureaus with a maze of personal rules and regulations under laws enacted by Congress have created such uncertainty in business that legitimate commerce is hampered, according to John W. Van Allen, of Buffalo, New York, General Counsel of the Radio Manufacturers' Association, in an address today (Tuesday) at the organization's annual convention at the Stevens Hotel in Chicago.

"Business can thrive only in the belief in the stability and soundness of government processes", said Mr. Van Allen. "Where this belief is in constant and sustained question, business hesitates, commerce diminishes, unemployment rises, money ceases to circulate normally, surpluses are consumed, public debts are increased, and we live in a spirit of uncertainty. To these factors is largely due the situation in business today."

The annual convention of the Radio Manufacturers' Association was presided over by Mr. Leslie F. Muter, of Chicago, its President. Mr. John H. Payne, representing the Department of Commerce, also made an address. The radio manufacturers will elect officers and hold the annual industry banquet Wednesday evening at the Stevens Hotel. A national trade show of radio parts and accessories will open Wednesday.

Bureaucratic rules and regulations from Washington agencies, according to Mr. Van Allen, have caused apprehension by business interests because Government has largely become one of personal orders, of men, rather than of well-defined laws. He cited the Supreme Court rebuke in the Kansas City Stockyards case to Secretary Wallace, stating the Supreme Court's injunction to Government "that they must accredit themselves by acting in accordance with the cherished judicial tradition embodying the basic concepts of fair play."

In recent years, Mr. Van Allen told the Radio Manufacturers' Association, many laws have been passed "which give an administrative officer or an administrative bureau or commission vast powers to establish rules and regulations and give orders of the binding force of law on men engaged in nearly every business or occupation." In some cases they are both prosecutors and judges, and the situation, said Mr. Van Allen, "becomes not a government of laws but a government of men, exercising unreasonable dictatorial and arbitrary powers over the personal rights and property of citizens."

"Because Congress and other legislative bodies have enacted this kind of legislation, the business atmosphere is charged with a spirit of controversy; administrative officers disclose competing philosophies of government and contradictory ideas of judicial administration and attempt to make a partisan

issue out of what should be an impartial issue. These causes cannot be abolished by adding more government in business.

"As government faults are corrected and salutary and impartial laws passed to prevent abuses, business will go forward, unemployment will decline, money will circulate, and revenues for the support of the government will increase, and the public debt diminish. Business will not withhold its cooperation but will assist in every way to bring back its normal recovery. We as manufacturers of radios and parts provide the means whereby communication with millions of people is possible, and we offer our services to government and business to act in solution of problems which now beset us in so many directions."

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"CUT-PRICE" RADIOS GONE, SAYS GEDDES

"Cut-price bargain" radio receiving sets have almost disappeared, with the present introduction of new and improved receivers, according to industry leaders who are meeting in Chicago for the Fourteenth Annual Convention of the Radio Manufacturers' Association.

"Inventories of obsolete 1937 receiving sets are practically cleared up", said Bond Geddes, Executive Vice-President of the manufacturers' national organization. "The period of 'cut-price bargains' in receiving sets is over. New and greatly improved models are now being introduced, at more moderate prices to meet present conditions. There is a noticeable increase in demand for automobile radios."

Over 200 manufacturers will have exhibits at the national trade show of parts and accessories, opening the Stevens Hotel Exhibition Hall Wednesday and continuing through Saturday. This is a national trade show but not open to the public. There will also be annual meetings of the Radio Servicement of America, the Sales Managers Clubs and other radio organizations.

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The Office of the American Trade Commissioner, Singapore, reports that the State of Johore has introduced regulations for the control of radio and will not permit the use of loudspeakers from midnight to 6 A.M. Any person who causes a disturbance with his radio between those hours will be prosecuted.

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6/7/38

NAB DIRECTORS ELECT MILLER PRESIDENT

Neville Miller, "flood mayor" of Louisville, Kentucky, was elected President of the National Association of Broadcasters last night (Monday) by the Association's Board of Directors, confirming action taken earlier by the NAB Executive Committee.

Mr. Miller succeeds Mark Ethridge, Vice-President and General Manager of the Louisville Courier-Journal and Times, who has been serving in a temporary capacity since the Association was reorganized last March. He is now assisting Harold W. Dodds, President of Princeton University, in administrative reorganization. He will take over his radio post about July 1st.

Although he has been well-known in legal and educational circles for many years, Mr. Miller first received the full glare of the national spotlight in 1937 when he directed relief and rehabilitation at Louisville during and after the disastrous Ohio River flood.

With the complete cooperation of radio stations not only in the flood area but also throughout the country, he directed the evacuation of the flooded sections of the city, obtained aid for the flood-stricken families, and supervised the tremendous task of putting the city back on its feet after the water subsided.

Born in Louisville, February 17, 1894, Mr. Miller received his preliminary education in the public schools of that city. He received his A.B. degree from Princeton in 1916 and his Bachelor of Laws degree from Harvard four years later. Along with his general practice, he taught at the Jefferson Law School from 1920 to 1925 and at the University of Louisville Law School from 1920 to 1930. He left active practice in 1930 to become Dean of the University of Louisville Law School, a post he held until 1933 when he was elected Mayor of the city on the Democractic ticket. At the expiration of his term, Dr. Dodds called him to Princeton.

The new NAB chief is a son of Shackleford Miller, one time Chief Justice of the Kentucky Court of Appeals. He wife is a cousin of General John B. Castleman, famous Civil War figure. Mr. Miller has four daughters.

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RCA FIGHTS MACKAY AT HOUSE HEARING

The Radio Corporation of America yesterday (Monday) opposed legislation which would require the Communications Commission to consider "public interest" in allotting international broadcast bands.

The Mackay Radio Company, alleging that RCA controls more than 90 per cent of transoceanic radio telegraph business, told a House Interstate Commerce subcommittee last week it should be permitted to share that traffic.

Frank W. Wozencraft, General Solicitor for RCA, saying that "more than ample competition now exists", denied before the same group that the company had a monopoly. Enactment of the measure, he said, would operate to reduce radio rates to a point where international business would be driven from radio to cables.

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TWO NEW IOWA STATIONS ON 1310 KC. RECOMMENDED

The granting of construction permits to two applicants for permits to operate stations on 1310 kc. with 100 watts power, unlimited time, was recommended to the FCC this week by Chief Examiner Davis G. Arnold.

The applicants are the Clinton Broadcasting Corp., of Clinton, Iowa, and the Burlington Broadcasting Co., of Burlington, Ia.

Other Examiners recommended the following:

That the Farmers & Bankers Broadcasting Corp. be authorized to move Station KFBI from Abilene, Kans., to Wichita, Kans. The station operates on 1050 kc. with 5 KW power, unlimited time.

That Herbert Lee Blye be permitted to assign the license of Station WBLY, Lima, O., to the Fort Industry Co.

That the First Baptist Church of Pontiac, Mich., be denied permission to transmit programs by wire to Station CKLW, Windsor, Ontario, Canada, for broadcasting.

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RULES COMMITTEE LEANS TOWARD INQUIRY, POLL SHOWS

The House Rules Committee, which this week will hear Commissioner George Henry Payne amplify charges he made last week against his colleagues, is reported to be leaning toward favorable action on a Congressional investigation of the radio industry and the FCC.

The United Press made an unofficial poll of members and reported in a copyright article that the Committee will grant a special rule giving the inquiry resolution right-of-way in the House.

Several obstacles, however, still stand in the way of an actual investigation. The nearness of adjournment of Congress is one of these, and the coolness of Chairman Warren, of the House Accounts Committee, which must approve a fund for the inquiry, is another.

Representative Warren, who comes from North Carolina, is a friend of Frank R. McNinch, Chairman of the FCC, and has stated that he believes the Commission should be permitted to make its own investigation before Congress takes a hand.

The Rules Committee is scheduled to meet Wednesday in executive session to hear further evidence from Commissioner Payne, who charged that a group of radio lobbyists had "too greatly influenced" other Commission members.

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EXAMINER O.K. GIVEN SALE OF WFAB TO WEVD

The proposed sale of Station WFAB, New York to the Debs Memorial Radio Fund, which operates WEVD, New York, on the same frequency, was given preliminary approval this week by Examiner John P. Bramhall in a report to the Federal Communications Commission.

Stations WFAB, WEVD, WHAZ, and WBBR all now share time on 1300 kc.; WEVD proposes to buy WFAB for $85,000, and close it, utilizing its share of broadcasting time.

Station WEVD now operates 50 hours a week. A transfer of the license of WFAB, which is operated by the Fifth Avenue Broadcasting Corporation, would add 36 hours to its schedule.

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TRADE NOTES

Edward F. McGrady, Former Assistant Secretary of Labor and now Director of Labor Relations, Radio Corporation of America, will be one of the principal speakers at the 1938 convention and exposition of the Advertising Federation of America, June 12-15, in Detroit, Mich. Mr. McGrady's address, "Labor, Industry and the Public", will be delivered at the convention's general session on Monday, June 13th.

Leonard Lyons, Broadway columnist, wrote this week: "The report in radio circles is that RCA is constructing a huge television studio on the ninth floor of Radio City to be ready before August - and to which the audience will be charged admission prices."

Frank A. Arnold has been elected Vice-President of Edwin Bird Wilson, Inc., in charge of its Radio Department. For six years he was Director of Commercial Development for the National Broadcasting Company, following his resignation as Secretary and Director of the Frank Seaman Advertising Agency.

The Western Newspaper Union has set up a new subsidiary known as Western Radio Union, affording a tie-in with commercial radio broadcasting and weekly newspapers, effective next Fall. The plan does not contemplate operation of radio stations by weeklies, but provides for a radio program publicity service, mentioning sponsors' names, to be furnished to users of WNU ready-prints.

Appointment of Josef Cherniavsky to the post of musical director of WLW and WSAI, Cincinnati, was announced this week by James D. Shouse, Vice-President of the Crosley Radio Corporation in Charge of Broadcasting. Mr. Cherniavsky will have complete charge of all musical activities of both stations.

The Chicago Tribune and the Oakland and Seattle papers have followed the lead of the Los Angeles newspapers in dropping radio columns, according to Editor & Publisher. The Chicago Daily News and the Evening American had previously discontinued the radio news and comments, carrying only programs. The Tribune's action, it was said, is an experiment.

6/1/38

When a radio artists says that he just "laid an egg", don't be alarmed. When a radio production man says that "a program is a dog", do not think that four-footed mammals are running around Studio 1, 2 or 3. All this is radio jargon which is explained in the new booklet just released by the Sales Promotion Department of WOR and titled, "What Goes On Here?" Fifty thousand copies of the new book, which is designed to make thousands of radio fans more conscious of what goes on in a radio station, have rolled off the printing press.

The American Federation of Labor has gone in for radio drama. An experiment started last March has resulted in arrangements to broadcast recordings of dramatized labor events from 55 stations, A.F. of L. spokesmen said. The recordings will be put on the air once a month for 15-minute periods. The Federation is underwriting the cost of producing the records, but the air time is being provided without charge.

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RADIO LINKED TO DECREASE IN SEA CASUALTIES

Radio is responsible for a substantial decrease in the loss of life at sea, according to the Lighthouse Service Bulletin, of the Commerce Department.

"In inviting attention to the great strides made regarding safety at sea, particularly since the World War", the Bulletin states, "an article in the Shipping World of April 6, published in London, contains a table showing sharp reductions in the average of vessels lost as well as the loss of lives of passengers per year from the year 1904 to 1937, in which period the average of vessels lost was reduced from 86 to 38 and the passengers and crew from 406 to 44.

"It is further pointed out in the quoted article that this progress is due to a number of reasons, but 'perhaps the most of all to the development of wireless' and further that 'The great development of the direction finder which enables a ship to grope its way in fog and the gradual increase in the numbers of wireless beacons on shore had further added to safety. It was satisfactory that many of the light vessels which were not being gradually replaced would, in future, be fitted with radio-beacons.'

"It is further stated in regard to the necessity of fully protecting the radio frequencies now used for such purposes as radio direction finding as follows: 'It is most essential that the wireless wave bands used by the maritime services shall not be encroached upon by other services * * * Much as one appreciates the need for continuous development of broadcasting, it is of the first importance that we put safety of life at sea before any other consideration, and that due regard is paid to the essential services which shipping renders to mankind.'"

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STILL LOTS OF RADIO BUSINESS, SAYS CALDWELL

"Just because a recession is in progress in general business at the moment, radio men can't afford to let down, or temporarily shut up shop!", O. H. Caldwell, editor of Radio Today, said in a statement issued this week.

"There are still lots of radios to be sold - still people who need better sets - additional sets; need these radios now more than before. And have money to pay for them.

"Radio men can't let down now, or relax their efforts. Conditions abroad may be distressing; affairs in Washington and Wall Street may be disappointing. But these are no excuses for the radio dealer to slow up and just ponder. That won't help any.

"The only thing that will help is to keep busy going out after business. This much the radio man owes to his family and dependents, - owes to the organization he has built around him in his business.

"But even more important to his future will be another result of courageous activity now, - repeating history familiar to most. Back in 1932, when a real Depression was upon us, and things looked blackest, some firms resignedly slowed up or 'folded'. Others initiated policies of aggressive action, and went out and got what business there was. Then as the old Depression lifted, these tireless workers found themselves among the new leaders in their fields - found themselves at the top of the ladder, to which they might never have climbed had business just been easy.

"The same thing will take place during the present recession. Vigorous fighters will grab the opportunity to sail ahead of stodgy conservative competition. New business equities will be established. New names will arise to shine as radio leaders in their communities.

"Radio men who really know this great art and its myriad potentialities ahead, will never lose faith in it. It is only unseeing business opportunists, who suspect, 'radio is at the end of its rope', because they know no better.

"Radio's future prizes are of surpassing promise - they are worth fighting for more than ever. Out of the recession will come new leaders for radios big days ahead. These leaders will pull themselves into front rank by the energy and enterprise they display now."

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6/7/38

NBC, CBS AND MUTUAL BILLINGS FOR MAY

Advertisers' expenditures for time on the National Broadcasting Company in May rose to $3,442,280, up 7.1 percent over May, 1937. A contra-seasonal gain of 4.0 percent was made over April of this year. The figure for May is a record high for the month. A new high has been reached every month since, and including, December, 1937.

NBC's cumulative billings for the first five months of 1938 totaled $17,851,185, up 5.3 percent over the previous record of $16,944,720 set for the same period of 1937.

Gross time sales on the Columbia Network for May, 1938, the second largest May in network history, totaled $2,442,283. This shows a slight decrease from last May (4.6%) but brings the cumulative total for the first five months of 1938 to $13,461,060, a 9.2% increase over the corresponding period of 1937.

A 25.6 percent increase in time billings is reported for the Mutual Broadcasting System for the month of May, 1938, in comparison with the same month's figures in 1937.

Total billings for May, 1938, were $194,201. For the same month in 1937 they were $154,633.

Cumulative billings for the first five months of 1938 total $1,139,769, an 8.7 percent increase over the same period in 1937. For the same period in 1937 they were $1,048,280.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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WELLS IS NEW PRESIDENT OF RMA

For the first time in four years, the Radio Manufacturers' Association has a new president. Albert S. Wells, of Chicago, President of Wells-Gardner & Company, was chosen as the head of the manufacturers at the conclusion of their Fourteenth Annual Convention in Chicago. Leslie F. Muter, of Chicago, who for four consecutive terms has served the Association so well as president was elected its Treasurer.

Five new Directors were named as follows: Glenn W. Thompson, Noblitt-Sparks Industries, Inc., Columbus, Ind.; Harry G. Sparks, The Sparks-Withington Company, Jackson, Mich.; Octave Blake, Cornell-Dubilier Electric Company, New York, N.Y.; James C. Daley, Jefferson Electric Company, Bellwood, Ill.; and J. McWilliams Stone, Operadio Manufacturing Co., St. Charles, Ill.

James S. Knowlson, of Stewart-Warner Corporation, Chicago, was elected Chairman of the Set Division and J. McWillians Stone, newly elected Director, was likewise slated to head the Sound Division.

Bond Geddes, of Washington, D. C., was again re-elected Executive Vice-President and Judge John W. Van Allen, of Buffalo, continues as General Counsel.

Mr. Wells is prominent in Chicago manufacturing circles and is a member of the Nordic and Evanston Golf Clubs, the Five Lakes Club, the Swedish Club of Chicago, and the Svithiod Singing Club. He is also a member of the Masonic Order and of the Shriner's Oriental Consistory and the Columbia Commandery Knights Templar. He has been connected with radio for the past fourteen years.

The Radio Parts Trade Show was inaugurated as usual at the conclusion of the last business session of the manufacturers-convention and the whole thing ended in a blaze of glory at the radio industry's annual banquet.

Directly after the luncheon of the newly elected Directors of the RMA Wednesday afternoon, before the banquet Wednesday evening, Commander E. F. McDonald, Jr., President of the Zenith Radio Corporation, Chicago, took the past and present

Directors out on board his yacht, the "Mizpah", for a sail on Lake Michigan. The guests heard a first-hand account of a 90-mile gale which Commander McDonald recently encountered returning from the Caribbean Sea. It caught the "Mizpah" off the Bay of Fundy just after Commander McDonald had visited his old skipper, Commander Donald B. MacMillan, the famous Arctic explorer, at Provincetown, Mass., and was the worst storm known there in years. Many boats were wrecked and several lives were lost. It took the "Mizpah's" canopies away and bent the stanchions badly but aside from that Commander McDonald told his guests he suffered no inconvenience and was little worried.

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ROOF FIRE IMPERILS CAMDEN RCA PLANT

Fire in the roof of the television department of the RCA-Victor plant, Camden, N.J., across from Philadelphia, endangered laboratory equipment valued at hundreds of thousands of dollars.

Twenty-five employees, about half of them laboratory workers, fled the building as dense smoke poured from the tarred roof and enveloped the neighborhood.

Swirling across River Avenue, the smoke filled the Sheltering Arms Home for Children, an orphanage, driving out the occupants. Five children, ranging in age from 20 months to seven years, were taken to safety.

Two alarms of fire, turned in within an interval of five minutes, brought most of the fire-fighting apparatus in the city to the scene. Thirty-five minutes later a fire broke out at the plant of the General Chemical Company, a block away, and all fire companies not already in action responded.

The fire at the RCA Victor plant was in the building designated as No. 53, a long, one-story structure with stucco sides and a tarred roof. The blaze apparently began on the roof and damage to the interior was said to have been limited to scorching of walls and ceilings by flames sucked into the building by down-drafts through ventilators. An official of the company said the loss was not great.

The fire at the General Chemical Co. plant started on a wharf at the rear of the building and ate its way up to the rear wall before it was checked. The plant of the Standard Oil Co., with several large storage tanks, adjoins the property, but was not endangered.

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RATES FCC AMONG CAPITAL'S "LOUSIEST"

In the "National Whirligig" edited by Richard H. Waldo, and supplied to a large number of newspapers by the McClure Newspaper Syndicate, Ray Tucker writes:

"The Roosevelt Communications Commissioners - Messrs. Payne, McNinch, et al. - have finally clinched. Every Washingtonian on the outside looking very far in hopes that they will knock each other's block off.

"Next to the Coal Commission and the Tennessee Valley Authority, the Federal agency which rules the air is perhaps the lousiest - the word is used advisedly, and Fiorello LaGuardia has given it dictionary currency - at the Capital. There's no graft there, but they have favored favorite sons of favorite persons (especially in Texas), and they have shown a remarkable incapacity for aerial administration. The industry fears and distrusts them, as the decision over WLW's request for high power will reveal.

"No reporter, no matter how brilliant or painstaking, could smell out this sort of scandal. It is rooted too deep; it has been covered too copiously. But when and if Mr. Payne, who once wrote editorials for William Randolph Hearst while a member of the New York Board which assessed property, really swings at the Hoovercrat McNinch who was knighted by Mr. Roosevelt - then the Barney Ross-Henry Armstrong fight will seem like a breezer. Get your ringside tickets now!"

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PHILCO STRIKERS ASK GOVERNOR TO INTERVENE

Governor George H. Earle has finally been appealed to by the Philco strikers to intervene in the labor dispute which has disrupted the Philadelphia radio plant for the past five weeks. Following the appeal, Governor Earle dispatched a State Department of Labor mediator to investigate the Philco situation and make a personal report to him. The strike has grown out of a difference of opinion of terms for renewal of the contract of the C.I.O. United Electrical, Radio and Machine Workers Union.

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ZENITH NETS $701,477 FOR YEAR

The net income of the Zenith Radio Corporation for the fiscal year ended on April 30th was $701,477 after depreciation, royalties, Federal income tax and surtax on undistributed profits, according to the annual report, released for publication. The income was equivalent to $1.42 each on 492,464 shares of capital stock, excluding treasury shares, and compared with $1,904,074, or $3.81 a share, earned in the preceding fiscal year.

Current assets on April 30th last, totaled $3,597,041, including $1,243,290 cash and government securities, while current liabilities were $1,084,842. On April 30, 1937, current assets amounted to $4,980,745, cash and marketable securities were $2,866,273 and current liabilities were $2,400,259. Inventories increased to $1,813,058 from $1,510,412. Total assets were $6,814,622, against $7,917,971, and earned surplus was $2,116,815, against $1,907,802.

"Notwithstanding the many perplexing problems which have confronted our company during the past fiscal year, it has been able to maintain its usual sound financial position, and has earned a substantial net profit", Commander E. F. McDonald,Jr. President of Zenith, said.

"While the volume of business done by the radio industry generally decreased approximately 15% during the period covered by this report, your company's sales were slightly above those of the previous year.

"The corporation recently held regional showings of its products for its distributors, at which were introduced several low priced models of the new 1939 line of superheterodyne receivers. The models shown range in price from $14.95 to $89.95. Orders were taken for May and June delivery. The values of the models shown were so outstanding, and the reception so enthusiastic that orders received will heavily tax the company's production facilities in order to make deliveries on time.

"The popularity of the company's armchair models during the past two years indicates that this type of radio will definitely outmode and make obsolete the old style conventional console or wall type radios.

"The company's subsidiary, Wincharger Corporation of Sioux City, Iowa, also made very satisfactory progress during the year. Demand for the larger units for lighting and power has steadily increased so they are now one of the company's principal sources of income.

"The recently announced new product, 'Radio Nurse', has been marketed through regular radio channels, but a change

in policy is being effected so that this device will be made available through medical and drug outlets where it will be brought more directly to the attention of persons having a need for it.

"The Examiner for the Federal Communications Commission has recommended that a permit be issued to the company for the construction and operation of an experimental television transmitter. Formal authorization from the Commission is expected in due course, and when received construction will proceed immediately."

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PAYNE TAKES HAND IN NAZI RADIO INQUIRY

That Commissioner George Henry Payne is also seeking to ascertain the facts with regard to reports of Nazi propaganda coming to the United States via short-wave was disclosed by correspondence between Commissioner Payne and Oswald F. Schuette, organizer of the Short Wave Institute of America. Representative Bernard (Farmer-Labor), of Minnesota, had written to Chairman Frank R. McNinch, Chairman of the Federal Communications Commission asking the latter to learn who were the backers of the Short Wave Institute and of Mr. Schuette, who is now an official of the Radio Corporation of America.

In his letter, Representative Bernard referred to Mr. Schuette as a "known and unrestrained admirer of the Nazis". Commissioner Payne wrote to Mr. Schuette and asked if these charges were true and why he had previously refused to give the names of those who had contributed to the support of the Short Wave Institute.

Mr. Schuette's letter in reply, as given out at Commissioner Payne's office, follows:

"Thank you for sending me a copy of Representative Bernard's letter of May 23. Unfortunately your own letter, although dated May 24, 1938, was not mailed - as shown by the postmark - until "June 1, 4 p.m." I have just received it. I do not know why Representative Bernard did not write to me direct.

"So far as his letter relates to me, the answers are simple. I am not 'a known and unrestrained admirer of the Nazis'. The Short Wave Institute of America, of which I was president until June 30, 1936, was organized solely to promote the sale of short wave receiving sets, and to that end to interest the public in short wave broadcast reception. Its backers were five outstanding American radio manufacturers - Radio Corporation of America, General Electric Company, Zenith Radio

Corporation, Sparks-Withington Company and Sears-Roebuck Company. Besides these companies and myself, no one else had any interest of any kind, direct or indirect, in the organization; nor has it been active since June 30, 1936.

"At that time, it became apparent that this work could be better carried on as part of the activities of a single large radio organization. Therefore, I resigned as president of the Institute and since that time have been employed by the Radio Corporation of America. One of my important activities has been the development of the short wave operations of that company, which have now served to put the United States into the forefront of the international broadcasting activities of the world, and thus to off-set the foreign radio propaganda activities of which Representative Bernard complains.

"There has never been any secret about my associates in the Short Wave Institute. In testifying on general broadcasting problems at the informal engineering conference held by your Commission in June, 1936, I spoke only as an individual with a long and active experience in radio. I felt I had no authority to speak for the associates on a subject in which their various interests might conflict with each other or with my individual views.

"Although all five of the companies named were also identified with the Radio Manufacturers' Association, their short wave set sales were greater than those of most of the other RMA members, and they were therefore interested in a more active promotion of short wave operations than their trade organization, at that time, was devoting to this subject.

"Further to answer Representative Bernard's specific question, none of my associates, in this or in any other enterprise, includes or included, any foreign government, the agents of any foreign government, or of any political party or faction or clique in any foreign government.

"I understand that Representative Bernard has also written to other members of your Commission. I am therefore taking the liberty of sending a copy of this letter to your colleagues, as well as to Representative Bernard."

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RADIO SUPER-POWER HEARINGS GRIND ALONG

Testimony, much of it highly technical, continued to be given at the Federal Communications Commission to a sub-committee composed of Commissioners Craven, Case and Payne on the question as to whether or not the lid should be taken off on power limitation of broadcasting stations. Judge A. L. Ashby, Vice-President and General Attorney of the National Broadcasting Company, presented W. C. Lent, an engineer, who testified in behalf of the NBC. Mr. Lent declared that out of all of the 50 KW stations in the United States, only about one-fifth of them were in the West. He said if the proposal went through to give half of the channels of KNX, at Los Angeles, and KPO, at San Francisco, to Canada, for duplicate stations, KFI, at Los Angeles, would be the only 50 KW station on the West Coast.

Increase of power in the preservation of the system of clear channels for certain radio stations is the only feasible way of improving radio reception at night to 80 percent of the continental United States, J. H. Dewitt, Jr., of Nashville, Tenn., Chairman of the Engineering Committee of the clear channel group told the FCC, making a strong play for super power.

Mr. Dewitt, who was expected to occupy the witness stand for the greater part of the day, was about half-way through reading a 48-page printed statement when the Commission took its luncheon recess. His testimony was illustrated with nearly three-score large map exhibits purporting to show graphically how the various radio stations of the country cover their areas.

From a radio reception standpoint, he told the Commission, a map of the country with circles drawn on it showing the areas now getting unsatisfactory signals, would look much like a Swiss cheese. He asserted that transmission conditions are much worse now than in 1935.

Establishment of stations in areas now given for radio signals will not correct the difficulty, he said, adding that "no matter how much we may wish the contrary were true, we cannot escape the cruel fact that broadcast stations can be located only in communities that can support them economically."

Radio listeners in the rural areas who, it is asserted, are now denied satisfactory broadcast receiving facilities, would be the greatest beneficiaries of so-called super-power radio stations, the Commission was told by Edwin W. Craig, of Nashville.

Mr. Craig, representing the so-called clear channel group, also told the Commission that Mexico and European countries have provided for super-power, and such stations in the United States should be provided for by the Communications

RADIO BUREAU-TOWER MERGERS THRU MERGER

Commission in order that they might serve to their listeners a signal which would not be affected by interference from those countries.

It was said that 82% of the total area of continental United States was unsatisfactorily served from a broadcasting station's viewpoint. It was contended that in this great area that a signal of less than one-half a millivolt prevailed. The FCC has ruled that a 10-millivolt signal is essential to satisfactory service.

James Shouse, General Manager of Station WLW, at Cincinnati; R. J. Rockwell, Chief Engineer of WLW, and Dr. C. B. Jolliffe, of the Radio Corporation, New York City, were other important witnesses heard.

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WHEELER SENATE RESOLUTION WOULD HOLD POWER DOWN TO 50 KW

Senator Burton K. Wheeler, of Montana, submitted a resolution in the United States Senate yesterday (Thursday) (S. Res. 294), which was ordered to lie on the table, as follows:

"Resolved, That it is the sense of the Senate of the United States of America that the operation of radio broadcast stations in the standard broadcast band (550 to 1600 kilocycles) with power in excess of 50 kilowatts is definitely against the public interest, in that such operation would tend to concentrate political, social, and economic power and influence in the hands of a very small group, and is against the public interest for the further reason that the operation of broadcast stations with power in excess of 50 kilowatts has been demonstrated to have adverse and injurious economic effects on other stations operating with less power, in depriving such stations of revenue and in limiting the ability of such stations to adequately or efficiently serve the social, religious, educational, civic, and other like organizations and institutions in the communities in which such stations are located and which must and do depend on such stations for the carrying on of community welfare work generally.

"Resolved further, That it is, therefore, the sense of the Senate of the United States of America that the Federal Communications Commission should not adopt or promulgate rules to permit or otherwise allow any station operating on a frequency in the standard broadcast band (500 to 1600 kilocycles) to operate on a regular or other basis with power in excess of 50 kilowatts."

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FCC FAILS TO STOP ACTION FAVORING CONGRESS RADIO PROBE

A last minute effort on the part of a majority of the members of the Federal Communications Commission failed to head off the House Rules Committee from favorably reporting the resolution introduced by Representative Lawrence J. Connery (D.), of Massachusetts, which calls for a Congressional investigation of the radio industry and a thorough housecleaning of the FCC.

Nearness of adjournment of Congress may forestall the investigation ; also the fact that Chairman Warren, of North Carolina, of the House Accounts Committee, who must approve the money for the inquiry, is said not to be very enthusiastic about such an investigation and may be another stumbling block. Representative Warren is reported to be a friend of Chairman Frank R. McNinch, of the FCC, who likewise was against the investigation.

Nevertheless, the action of the Committee was considered a victory for Commissioner George H. Payne, who not only declared from the start that he would be glad to have such an investigation, but who single-handed fought for it on the Hill. Previously the Commission by a vote of 5 to 2 had gone on record against a Congressional probe. Chairman Frank R. McNinch favored the Commissioners themselves making their own investigation of charges of monopoly and other unlawful practices and implied, without saying so, that a Congressional probe was unnecessary. The two Commissioners who voted in favor of giving Congress a free hand were Mr. Payne and Commander T.A.M. Craven.

Commissioner Payne was so insistent upon Congressional action that he was recalled by Chairman J. O'Connor (D.), of New York of the Rules Committee. Whereupon Mr. Payne is said to have again accused his colleagues of yielding too greatly to the influence of the radio lobbyists.

Apparently an S.O.S. was sent down from the Capitol Friday morning (June 10) causing the Commission to adjourn a meeting and, with the exception of Commissioner Payne, to appear for an eleventh hour hearing before the Rules Committee, in an effort to stall off action. Nevertheless word filtered out from the Rules Committee a short time later that the Committee had favorably reported the Connery resolution providing for a Congressional FCC probe.

Commissioner Payne expressed himself as jubilant over the result.

"This ends a two and a half year fight begun by the late Representative William P. Connery, Jr., of Massachusetts, who believed the FCC should be investigated by Congress", Commissioner Payne said. "His brother and successor in Congress, Representative Lawrence J. Connery told me he felt, in view of

the former's strong views in the matter that it was his duty to do everything in his power to have the Rules Committee consider his resolution favorably.

"Ever since there has been talk in Congress in favor of an investigation. I have taken the position that the FCC should be for it. I feel that Commissioner Craven should be given credit because he stood by me when I tried to get the Commissioners to put themselves in a proper light before the public by not only saying that they were not afraid of an investigation but that they would welcome it."

The text of the Connery resolution follows:

"Resolved, That a committee of seven Members of the House of Representatives shall be appointed by the Speaker, which committee is hereby authorized and directed to inquire into and investigate the allegations and charges that have been or may be made relative to irregularities in or pertaining to the monopoly which exists in radio and the activities and functions carried on under the Communications Act of 1934 and all matters pertaining to radio and radio broadcasting; be it further

"Resolved, That the said committee shall make a thorough and exhaustive investigation of all allegations and charges that have been or may be made in connection with or pertaining to the monopoly which exists in radio and the activities and functions carried on under the Communications Act of 1934 and all matters pertaining to radio and radio broadcasting, and shall report in whole or in part at any time to the House of Representatives, together with such recommendations as it deems advisable; and be it further

"Resolved, That for the purpose of this resolution the said committee is authorized to hold such hearings, to sit and act during the sessions and the recesses of the present Congress at such times and places, either in the District of Columbia or elsewhere, and to employ such expert, clerical, and stenographic services as may be found necessary and to require by subpena or otherwise the attendance of witnesses; to administer oaths; to compel the production of books, papers, and documents by Government or private agencies; and to take and record such testimony as the committee may deem advisable or necessary to the proper conduct of the investigation directed by this resolution."

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FCC APPROVES RADIOMARINE CORPORATION EQUIPMENT

The FCC Commission has sent the following letter to the Radiomarine Corporation of America in New York City:

"You are hereby notified that the Chief Engineer of the Federal Communications Commission, approved the following types of radiotelegraph transmitting equipment as capable of meeting the specifications of the Ship Radiotelegraph Safety Rules for a main transmitter in existence prior to February 1, 1938:

Manufacturer	Type Number
Radiomarine Corporation of America	3627-S
Radiomarine Corporation of America	3627-AS
Radiomarine Corporation of America	3627-BS"

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FLOOD HERO RECEIVES PALEY AMATEUR AWARD

William S. Paley, President of the Columbia Broadcasting System, last Thursday presented the second annual Paley Amateur Radio Award to Robert T. Anderson, of Harrisburg, Ill., for valiant service rendered during the January, 1937, flood emergency in the Ohio River Valley.

At the presentation luncheon yesterday in the Waldorf-Astoria Hotel, Rear Admiral Russell Randolph Waesche, Commandant, United States Coast Guard, and Capt. Stanford C. Hooper, United Stated Navy, joined Mr. Paley in paying tribute to Anderson and to the 55,000 amateur operators in this country and Canada for the public service they perform in times of national emergency.

George W. Bailey, Vice-President of the American Radio Relay League, spoke on behalf of his organization in retaining permanent custodianship of the trophy symbolizing the award to Anderson.

Anderson, a 32-year old employee of the Harrisburg Standard Electric Company, was chosen for the second William S. Paley Amateur Radio Award by a Board of judges comprising the Hon. Norman H. Davis, Chairman of the American Red Cross; Lieut. Commdr. Charles P. Edwards, Chief of Air Services for the Dominion of Canada; Dr. J. H. Dellinger, Chief of the Radio Section of the United States Bureau of Standards; Professor A.E. Kennelly, Professor Emeritus of Electrical Engineering at Harvard University, and Rear Admiral Waesche.

The award for 1937 to Anderson was based on his having worked for four days, obtaining only 10 hours sleep, to secure relief for the beleagured town of Shawneetown, threatened with inundation by the raging Ohio River. Largely through his efforts all 1,500 of Shawneetown's inhabitants were evacuated without the loss of a single life.

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The Connery Resolution proposing to investigate radio monopolies was killed by the House of Representatives yesterday (Tuesday) by a vote of 234 to 101.

R. D. Heinl

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June 14, 1938.

COMMISSIONERS DENY LINK TO RADIO CHAINS

Chairman Frank McNinch of the Federal Communications Commission and Commissioners Eugene O. Sykes, Thad Brown, Norman Case, in answer to questions by Rules Committee members declared they had no connection with any broadcasting chain or station. Commissioner Craven intended making the same denial, Chairman McNinch said, but the Committee went into closed session before he could do so. Commissioner Walker was ill or it was said that he would have been there. Commissioner Payne who had alleged that the Commission was "susceptible to outside interests" was also absent.

During the brief Committee session, Chairman O'Connor, of the Rules Committee, asked Mr. McNinch if he wasn't aware that two or three big radio chains have been favored at the Commission in assignment of licenses. Mr. McNinch denied the accusation.

"Of course, they don't need many more licenses if they control 95 percent of the air already", Representative O'Connor replied.

In answer to another question from the Committee Chairman, Mr. McNinch said he believed the Commission had done all it "legally could" in reprimanding the National Broadcasting Company for its Mae West broadcast.

Mr. O'Connor referred to the Commission's reprimand of NBC in that case as a "slap on the wrist".

Mr. McNinch testified that he knew of "no undue activity" by lawyers practicing before the Commission in the eight months he had been Chairman.

Representative Dies,(D.) of Texas, asked Mr. McNinch he he was aware of charges that lobbyists had "constantly been seen in company with at least one Commissioner."

The Chairman replied that the charge apparently was no more true than often-made charges of lobbying "up here on the Hill."

The Committee gave the Commissioners an opportunity to make statements.

"Any insinuation that I am in any way connected with the Columbia Broadcasting Company, or any other radio company, is absolutely false", Commissioner Sykes said.

"I'd like to make the same statement with reference to the two major companies or any other", Commissioner Brown declared, adding that in 1927 he was a stockholder of a Cleveland station.

Representative Lawrence J. Connery, of Massachusetts, had placed in the Congressional Record reports that Commissioner Sykes "is credited with having a very wholesome interest in the affairs of the Columbia Broadcasting System" and Commissioner Brown was "interested in the success of the National Broadcasting Company".

Mr. Connery set forth that he had exchanged correspondence with Chairman McNinch.

"This correspondence fully substantiates the talk, to put it mildly, of the probability of the radio monopoly being directly represented in the membership of the Federal Communications Commission itself", Mr. Connery went on. "I deemed it proper, before making my presentation to the Rules Committee, to ask directly of the Commission itself the accuracy or inaccuracy of this serious indictment of those members of the Commission, supposedly serving the public interest, but who are suspected and talked about as in reality serving private vested interests.

"Chairman McNinch, in his reply, states that he had read my letter to the Commission. It will be noted in the reply of Chairman McNinch that the Commission very carefully refrain from commenting on my request as to whether or not it was true that Commissioners Sykes and Brown were regarded as being interested in the radio monopoly, namely, the Columbia Broadcasting Company and the National Broadcasting Company.

"This correspondence and the failure of the Chairman of the Commission to deny the interest which these two members of the Commission are credited with having in the beneficiaries of the Commission's gratuities, naturally warrants some inquiry on the part of the House.

"I note from a study of this Commission's activities that those attorneys having a very successful radio practice, or many of them, are former officials of, or attorneys of, this Commission and its predecessor. In fact, the former general counsels, all three of them, appear often and quite successfully for their clients before this Commission, which they have served as general counsel. The present influence which these former officials and employees of the Federal Communications Commission have with those officials and employees still in the employ of the Commission, and the help that these former officials and former employees of the Commission receive from their former associates, to my mind, would, if thoroughly investigated, bring forth a condition to which, in comparison, Teapot Dome would fade into insignificance.

"As an indication that Chairman McNinch is conversant with this under-handed influence and pressure, I might note that Chairman McNinch himself, since he was appointed to the Commission, has called for a listing of all persons who call or telephone in the interest of any pending application.

"As further evidence of the unsavory conditions which are believed to exist in this Commission, it is worth noting that Chairman McNinch was apparently unwilling to accept the legal advice of the legal division of this Commission. I note that he brought into the Commission two attorneys to advise him rather than be dependent upon the advice of a legal staff which costs the Government some $300,000 a year.

"The Rules Committee has before it, presented by Members of Congress, evidence which shows that the moneys of this radio monopoly have been used to corrupt elected Representatives of the people, judicial officials of our Government, that trafficking in licenses exists with the knowledge and approval of the present Commission, and that the present Commission is unable or unwilling to penalize those radio stations which broadcast programs which are indecent, obscene, profane, or obnoxious to the American people."

The letter from Chairman McNinch in reply to Representative Connery follows:

"I read your letter to the Commission at its regular broadcast meeting on May 11, all members being present except Commissioner Case, whom I had consulted personally theretofore. Every member of the Commission stated that he had neither heard nor read of any discussion of the vote on the Columbia Broadcasting System case or the National Broadcasting Company case, to which you referred, except at the regular Commission case conferences, at which these cases, along with other cases, were considered and discussed.

"I particularly inquired as to whether any member of the Commission had heard of or knew of any effort on the part of any member of the Commission to persuade any other member to change whatever may have been his vote on these cases or to trade votes on them in exchange for votes on any other case. All members of the Commission said they knew of no such discussion nor had they heard of any effort to have any member change his vote nor of any proposed trade in votes.

"From this it appears, as you will see, that information upon which were based the statements made in your letter was utterly without foundation.

"As to your request for a statement as to the votes on the cases in question, I beg to advise you that, because of a unanimous agreement among the Commissioners to the effect that votes on cases before the Commission would not be made public until the opinion in a particular case was written and filed with

the Secretary, and thus made available to the public, I could not nor could any other member of the Commission honorably give you information as to how any one or all members of the Commission may have voted on a case prior to the publication of the opinion in such case."

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NATION'S LARGEST STATION MAKES STRONG SUPER-POWER PLEA

The representatives of WLW, the most powerful radio station in the United States, owned and operated by the Crosley Radio Corporation of Cincinnati, Ohio, have occupied with approximately three days of testimony to date in the hearing which the Federal Communications Commission is holding to determine whether or not broadcasting station power shall be limited. The presentation was in charge of James D. Shouse, Manager of WLW, and Duke M. Patrick, Crosley counsel in Washington.

Unlike the testimony which preceded it upon behalf of the Clear Channel Group, the showing of WLW has been limited rather strictly to a factual presentation. The showing was commenced by an introduction of the station's operating statement for the fiscal year 1937, and followed with a breakdown of the programs for the week of March 6, 1938, in the manner indicated by the Commission questionnaire which was sent to all stations requesting the same information. This testimony was followed by a detailed analysis of the cost and maintenance figures for WLW, first as a 50 kw unit, and second as a 500 kw unit.

Following the introduction of this testimony, a representative of the National Broadcasting Company gave a detailed analysis of the number of NBC sponsored programs which had been carried on WLW and on the stations within its service area, both before and after WLW's increase from 50 to 500 kw. These figures showed generally an increase rather than a decrease in the number of NBC sponsored programs which had been carried by stations other than WLW since the latter's power increase. They also showed rather conclusively that the program duplication between WLW and other stations in its recognized service area had increased rather than decreased during the period under consideration.

This testimony was followed by a detailed analysis of the present coverage of Station WLW when operating with power of 500 kw and a comparison of that coverage with coverage when operating with a power of 50 kw. Facts were also developed relative to the decrease in secondary service brought about during this phase of the so-called sun-spot or solar cycle which was estimated as having reduced the effective secondary service of clear channel stations to approximately one-half or one-third of that shown by the Clear Channel Survey figures as obtained in the

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years 1934 and 1935. Mr. Leydorff, chief technical witness for Station WLW, generally confirmed the figures previously submitted by the Clear Channel Group relative to the order of signal necessary to overcome static conditions existing during approximately one-third of the calendar year, and particularly in the southern one-half of the United States. Mr. Leydorff stated that there were two major variables which affected secondary service by clear channel stations, first the sun-spot cycle, and second static conditions. A third and contributing factor was stated by him to be the increased use of electrical applicances by rural listeners.

Mr. Leydorff was followed on the stand by Dr. Richard Mead, of the Wharton School of the University of Pennsylvania, who gave various data concerning the size and relative importance of the broadcasting industry and its trend as compared to other advertising media. He gave it as his opinion that no static level had been reached in the expenditures for radio advertising, in view of developments to date, and the trend of the industry as compared to other industries and indices in general.

Following Dr. Mead, numerous exhibits were introduced showing the radio activities, that is, the filing of applications for new stations and the Commission action thereon for the four-year period immediately preceding and following WLW's power increase. Data was also submitted showing the trend in the rate structure of various stations of the several classifications, both in the service area of WLW and elsewhere. The showing was uniformly to the effect that the rates of stations of all classifications had been materially increased during the last four or five years and had not been affected in any degree by the operation of Station WLW.

Additional data was introduced showing the gross revenue of the several stations of the various classifications within the one-half millivolt contour of Station WLW, both before and after its power increase. These show generally that the income of all stations had been materially increased during this period and that in all cases the rate of increase had been approximately the same or greater than that of WLW during the same period.

In concluding the presentation of its case, WLW then introduced a proposed change in Rule 117 as follows:

> Stations of this class may be licensed to operate with power in excess of 50 kw when it is made to appear:

1. That the use of such additional power will not result in objectionable interference to stations on adjacent channels.

2. That the use of such additional power will not cause objectionable interference with stations licensed by other countries pursuant to any agreement to which the United States is a party.

3. That the station is so situated geographically that (with or) without the employment of a directive antenna or other directive radiating devices substantially all of its primary and secondary service areas fall within the Continental United States.

4. That the use of such additional power is necessary to provide an adequate and acceptable radio service not otherwise available, or a choice of such services, to a substantial number of persons who do not reside within the primary service area of any other broadcast station licensed by the United States.

5. That at least fifty per cent of the programs broadcast by said station during both daytime and nighttime operation shall consist of live talent programs originated by it and not otherwise available to the area and audience described in Paragraph(4).

Dr. C. B. Jolliffe, engineer in charge of the RCA Frequency Bureau and ex-Chief Engineer of the Communications Commission had previously presented evidence on behalf of the Clear Channel Group to indicate that 500 kilowatt stations in the United States would not cause damaging interference with foreign stations. He was qualified not only as an engineer expert, but also as an expert on international radio problems. He outlined the history of international agreements as they related to high power limitations and pointed out that the earlier conferences provided for specific limitations of power and were indicative that the administrative authorities of Europe were afraid of the effects of increased power. At Cairo, in the revision of the Additional Protocol which set up the directives for the European broadcasting conference to be held in February, 1939, the annex of the Madrid Convention having to do with limitation of power was changed so as to delete any definite power limitation. There was apparently no opposition expressed and no discussion.

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GERMANY TAKES TO AUTO RADIOS

The use of automobile radio sets has grown rapidly in Germany, the Office of the American Commercial Attache in Berlin advises. Whereas in 1934 only 76 sets were sold, in 1935 the number jumped to 1300, and subsequently increased to 1,500 in 1936, and 3,000 in 1937. Telefunken (AEG and Siemens) sell about half of these and the rest are divided among a number of other companies. In 1937, the regular price for these sets was 370 reichsmarks which, since April 1, 1938, has been reduced to 360, still a very high price according to American standards. If the demand continues to grow, the industry plans to start mass production and reduce the price by 20 percent. Experiments are also being made toward the production of a simple, popular set to sell at 230 reichsmarks. (The reichsmark, at average rate of exchange, equaled $0.4020 in 1937; at present rate, it equals approximately $0.4016).

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WHEELER RESOLUTION RESTRICTING POWER TO 50 KW PASSES SENATE

The resolution of Senator Burton K. Wheeler, of Montana, that the Federal Communications Commission should not permit radio stations to operate with power in excess of 50 KW passed the Senate last Monday (June 13). Senator Bulkeley, of Ohio, blocked the Senate's action, by declaring his intent to call the Wheeler resolution up for reconsideration. He may do this at any time before the adjournment of Congress.

The resolution set forth that the operation of radio broadcast stations in the standard broadcast band (550 to 1600 kilocycles) with power in excess of 50 kilowatts is definitely against the public interest, in that such operation would tend to concentrate political, social and economic power and influence in the hands of a very small group, and is against the public interest for the further reason that the operation of broadcast stations with power in excess of 50 kilowatts has been demonstrated to have adverse and injurious economic effects on other stations operating with less power, in depriving such stations of revenue and in limiting the ability of such stations to adequately or efficiently serve the social, religious, educational, civic, and other like organizations and institutions in the communities in which such stations are located and which must and do depend on such stations for the carrying on of community welfare work generally."

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PUBLISHERS OPERATE ONLY 51 STATIONS

Although approximately 200 of the Nation's 700 radio outlets are generally catalogued as "newspaper stations", only 51 actually are operated by publishing companies, the accounting department of the Federal Communications Commission finds, Editor & Publisher reports.

There are scores of instances of newspaper control over broadcasting corporations, and operating agreements between the two systems for transmission of information are numerous, but joint operation was found to be uncommon.

This information was furnished the Commissioners this week as they launched a study of broadcasting regulation and the advisability of amendment of rules.

The statistical study placed the income of 629 stations which responded to questionnaires at $131,205,866. Advertising, selling and publicity expense was fixed at $5,551,202, and payments to agents and brokers amounted to $16,982,960.

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ITALY'S NEW S.W. TO BE HEARD THROUGHOUT WORLD

On December 9, 1936, a project was approved by the Council of Ministers in Rome, for the setting up of a new short-wave station in Rome, in order to improve the present technical organization of the E.I.A.R., and the broadcasting service of the colonial Empire, as well as that of Italian propaganda throughout the world, the office of the American Commercial Attache, at Rome, reports. This new station will be completed within the first six months of the current year.

The Rome short wave station located at Prato Smeraldo was established in 1930. The newly approved plan consists in the improvement of the power of the two existing transmitting stations, which will be increased from 25 KW. to 40 KW., in alternations of the modulation system, waves, etc. In addition, two new 100 KW power broadcasting lines will be set up, amounting totally to four; two of these will work on separate waves, rapidly, separately modulated, transmitting each a different program. The four broadcasting lines will be established in a new two-story building, erected on an area of about 25 hectares, which has recently been purchased by E.I.A.R.

About 200 meters from the mentioned building, a smaller one will be constructed to hold two other 50 KW. power transmitters, of which only one will be set up. This transmitter is of the pluri-wave type, i.e., able to get any wave on the scale 14-16 meters, with rapid commutation to four prefixed waves. This broadcaster is intended to be used as an experimental station to test the efficiency of new waves, broadcasting directions, etc., without therefore hindering the regular broadcasting of the four mentioned transmitters.

Fourteen steel towers will sustain the aerials, some of which will measure 60 meters and others 80 meters in height. Particular attention has been given to the broadcasting with the Ethiopian Empire, for which four bands will be employed, each with a separate wave and 100 KW. transmitters. There will be other broadcasting lines directed to North America, South America, Central America, Japan and Australia.

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Representative J. Hardin Peterson, of Florida, has introduced a bill (H.R. 10869) to prevent monopolies and to prohibit excess duplication of broadcast programs in any area. The bill has been referred to the House Committee on Interstate and Foreign Commerce, and it is identical with the bill introduced last week by Senator Sheppard of Texas,

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SEATTLE STATION SUES SENATOR BONE FOR $250,000

United States Senator Homer T. Bone (D.), of Washington State, was named defendant yesterday (June 13) in a $250,000 damage suit in which operators of radio station KOL, Seattle, charged him with using his public office to further a private radio business, an Associated Press dispatch from Seattle states.

Saul Haas, Collector of Customs at Seattle, and formerly Senator Bone's secretary; the Columbia Broadcasting System, the Queen City Broadcasting Company, Seattle, operators of radio station KIRO, and wives of Messrs. Bone and Haas also were named.

The complaint, filed by the Seattle Broadcasting Co., accused Senator Bone of using his position on the Senate Committee on Interstate Commerce to have a Columbia station contract transferred from KOL to KIRO, after owners of KOL had refused an alleged request to give Messrs. Bone and Haas a controlling interest in KOL. Messrs. Bone and Haas, it alleged, own and control KIRO.

At Seattle, statements denying conspiracy charged were issued by Station KIRO on behalf of Senator Bone and Louis K. Lear, President of the Queen City Broadcasting Company, which operates KIRO.

The statement issued for Bone said:

"I am not now and never have had any interest whatever in station KIRO. The same is true of Mrs. Bone.

"During the very time mentioned in the complaint, I was urged to be helpful to Station KOL in its efforts to secure a large increase in power. I was glad to do this so far as I could do so legitimately. Station KOL was granted the increase it sought and now has five times as much power as Station KIRO.

"If this is a conspiracy, it is the funniest conspiracy ever hatched by human beings."

Senator Bone further contended that the allegations were false and instituted maliciously "solely for political purposes."

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A larger newspaper schedule than formerly with no consideration for national magazines is planned by General Electric Radio to launch its story for 1939, built around three new radio developments called, "Three Scoops". Maxon, Inc., New York, is the agency. Approximately 165 newspapers will be used in the campaign, details of which have not been complete, which will start late in September. Trade magazine copy will start July 1.

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I. T. & T. NET QUARTERLY INCOME SHOWS INCREASE

The net consolidated income of International Telephone and Telegraph Corporation and subsidiaries for the three months ended March 31, 1938 amounted to $2,299,336, as compared with $1,658,438 for the three months ended March 31, 1937, according to Sosthenes Behn, President.

Gross operating revenues of the telephone and radiotelephone subsidiaries which are consolidated, amounted to $8,517,602 as compared with $7,638,003 for the similar period of 1937. There was an aggregate of 712,993 telephones in service (excluding Spain) at March 31, 1938, an increase of 16,536 since the first of the year.

Gross operating revenues from cable and radiotelegraph operations amounted to $1,229,311 as compared with $1,289,992 for the same period of the previous year.

Gross profit on sales of manufacturing and sales subsidiaries amounted to $5,504,696 as compared with $4,117,360 for the corresponding three months of 1937. Sales amounted to $21,013,000 as compared with $16,487,000.

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RADIO INDUSTRY IS WARNED AGAINST UNSOUND MERCHANDISING

There were words of advice from Arthur T. Murray, of the United American Bosch Corporation, of Springfield, Mass., retiring Chairman of the Set Division of the Radio Manufacturers' Association. Mr. Murray has long been identified with the radio industry but is now an official of the Moore Drop Forging Company of Springfield.

"The radio industry at best has always had too many vicious and completely unsound merchandising practices to contend with, and I sincerely hope that the efforts which your committees, under the Chairmanship of Messrs. Skinner and McDonald, have put in, will at not too distant a date prove to be of sound and of lasting benefit to the industry", Mr. Murray declared. "The industry owes much to these gentlemen for the efforts which they have expended in its behalf.

"What does the radio industry face? It faces a production capacity that has but little relation to the most extravagant consumption demands that can possibly be placed upon it. Any industry that finds itself in that position must of necessity give up, for its collective good, all unsound practices in which it has heretofore indulged. I believe firmly that the industry, up until the Fall of last year, had made a

I. T. & T. NET QUARTERLY EARNINGS SHOWS INCREASE

very marked improvement in its habits and in its conduct generally, but even at best, it had made but small progress over the road which must be covered before it can look upon itself as an industry whose solidity is such that it commands the respect of itself and of the public generally. I sincerely hope that the ground which has been lost in these past six months may be quickly recovered as a result of a realization on the part of the leaders of the industry that the ways of the industry must be permanently mended. Until the five or six leading factors in the industry stand shoulder to shoulder with each other in the improvement of morale, the industry, it seems to me, is doomed to never attain the type of solidity and real worth which destiny intended that it should have.

"The opportunity to play an important role in the destinies of an industry which has the romance which is so indelibly a part of this industry, has been given to but few men. Today radio is an essential part of the life of everyone. Its possibilities for good and, unfortunately also for evil, are almost without limit. It is the type of service for which any fair-minded human would pay fairly and well if he were permitted to do so, and it isn't the fault of the consumer that this has not been so. It has been wholly the fault of the set manufacturer, and I think the industry would be exceedingly wise to acknowledge the existence of this fault, and again make a strenuous effort, selfishly, if you please, for the betterment of the industry's economic being.

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TELEVISION EXHIBIT PLANNED FOR VISITORS TO RADIO CITY

Television, in the present stage of its development, soon will function for visitors to the National Broadcasting Company studios in Radio City. A television exhibit to be opened late this Summer will augment the guided tours through the NBC studios.

"The NBC television exhibit will be a complete unit in itself. Though demonstrating the same principles and employing the same type of apparatus used in RCA-NBC experimental television over Station W2XBS in the Empire State Tower, the exhibit will be entirely separate and distinct from it", according to an NBC release.

"Three studios have been set aside for the benefit of the public. The first houses the Iconoscope camera, a 'boom' microphone and other equipment for broadcasting sight as well as sound. Once the camera has been inspected the group will be taken to an adjoining studio separated from the telecasting room by a huge glass panel. This second room will contain the four RCA experimental television sets which will show the action taking place in the studio. A fifth receiving set, yet to be delivered, will be in an unfinished chassis, with all the works exposed.

"The third room will be the first television museum with television apparatus from its earliest, crude beginnings to its present state."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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No. 1134

SENATE RATIFIES HAVANA TREATY AND CONVENTION

Paving the way for a general shake-up in the broadcasting spectrum, the Senate just before adjourning this week ratified the North American Regional Broadcasting Agreement and the Inter-American Radio Communications Convention.

The documents, drafted at the Inter-American Radio Conference in Havana last Fall, were reported favorably to the Senate by the Foreign Relations Committee, together with an analysis and the favorable report of Senator Wallace H. White, Jr., (Republican), of Maine, who recently was a delegate to the world Communications Conference at Cairo.

Ratification of the North American treaty will have its effect on the present inquiry into super-power proposals and the new FCC rules and regulations. Had the Senate's action been taken earlier, the engineering proposals would have been made a part of the hearing.

The FCC's new rules, however, cover the most important phases of the Havana treaty, it was said, and the reallocation of channels in accordance with the agreement may be effected without any revolutionary changes. The treaty constitutes the base of many of the new engineering rules, though, including the reclassification of stations and general increases in power.

The two dicuments approved by the Senate were explained to Secretary Hull by Commdr. T.A.M. Craven, the FCC member who helped draft them at Havana, as follows:

"The Inter-American Radiocommunications Convention undertakes to establish, at least temporarily in the city of Habana and under the auspices of the Government of Cuba, an Inter-American Radio Office (O.I.R.) which, in a consultative capacity, is intended to provide for closer cooperation among the member states and for a fuller and more rapid dissemination of technical, legal and other data of interest in the field of communications, all for the purpose of an improvement of engineering practices and a better understanding of the legal problems in the field of communications in the participating countries. . .

"The North American Regional Broadcasting Agreement undertakes to establish in that region, which consists of Canada, Cuba, Dominican Republic, Haiti, Mexico, Newfoundland and the United States and within the standard broadcast band, frequency assignments to specified classes of stations on clear, regional and local channels with a view to avoiding interference which in

this region has caused great inconvenience to radio listeners. It is believed that the principles laid down in this Convention, if carried into effect, will result in general satisfaction not only to the listening public but to the broadcasters as well."

Secretary Hull in submitting the North American agreement to the Senate said:

"This agreement, while eliminating the theory of exclusive radio channels for broadcasting, will provide in its stead a more effective plan which will greatly increase the availability of radio frequencies for broadcasting purposes in North America, including 14 additional channels for use by United States stations, through the establishment of various classes of clear channels graduated according to power and mileage separation, regional channels, and local channels.

"Nationally this agreement is of importance because it not only reserves to the United States the necessary complement of frequency channels within the standard broadcasting band of 550 to 1,600 kilocycles but provides at the same time for sufficient flexibility to permit of the allocation of those frequencies to the best interests of the broadcasting industry and of the listening public in this country.

"Internationally the agreement is of importance because it provides for a definite plan in North America with respect to the use of broadcasting channels, thus eliminating the dissatisfaction heretofore evident in North American countries other than the United States due to allocations to them which they have deemed insufficient to meet their needs and avoiding the confusion which naturally resulted from the efforts of those countries to provide themselves with adequate broadcasting facilities."

An analysis of the Treaty and the Convention by Senator White are carried elsewhere in this news service.

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TWO ENGINEERING HEARINGS CALLED BY THE FCC

Two informal hearings on proposed new rules affecting special radio services were scheduled this week by the Federal Communications Commission.

State Forestry Departments and other organizations administering forestry lands were invited to a conference on the use of radio-communications in the protection of forested areas. The parley is set for June 29th.

Another conference of professional radio operators was called for July 11th. The FCC explained it is considering a draft of revised radio operator regulations for all professional classes.

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75TH CONGRESS NOTED FOR KILLING RADIO MEASURES

The 75th Congress, which adjourned last night (Thursday), was notable for killing more radio legislation than it enacted. With its adjournment a score of bills affecting the broadcasting industry died automatically, but they may, of course, be reintroduced in the 76th Congress when it convenes.

After ignoring radio matters for almost its entire three sessions, Congress took a sudden interest in pending bills during the closing weeks only to reject them.

Outstanding were the numerous proposals for Congressional investigations of the radio industry and the FCC. The House voted down the principle resolution, while the Senate refused to consider the White resolution although it had been reported by two committees.

Hearings were held in both the House and the Senate on bills to establish a government-owned Pan American short-wave station, but united industry opposition, together with a lack of support from the administration, c aused them to be buried in committees.

Copyright legislation, including Senate ratification of the international copyright treaty, was at a standstill as Congress quit, no action having been taken since the first session.

The Senate adopted a resolution expressing its opposition to super-power for broadcasting and ratified the North American Broadcasting Agreement and Inter-American Communications Convention during the final week.

A dozen or so minor bills affecting radio, including one proposal of the FCC regarding control of diathermy machines, failed even to obtain Committee approval.

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BROADCASTERS' EARNINGS BARED BY FCC STATISTICIANS

Broadcasters of the country were definitely in the money in 1937, according to figures made public this week by the Federal Communications Commission during the super-power hearings. They had a gross income of $114,222,906 and a net return of $18,883,935.

Estimating the industry's investment in properties as $46,240,128, the FCC statisticians figured the net return as 16 percent. The figure, however, does not include network properties as distinguished from their key stations. Broadcasters believe this would add another $10,000,000 to the industry's investment and reduce the percentage profit accordingly.

79th CONGRESS NOTED FOR USEFUL RADIO MEASURES

The 79th Congress, which adjourned last night [illegible], was notable for writing more radio legislation than in previous years. With its adjournment a score of bills affecting the broadcasting industry died automatically, but many were, of course, by unfinished business in the 79th Congress when it convenes.

After lengthy radio hearings for almost five months three sessions, Congress took a sudden interest in speeding up during the closing weeks only to reject them.

Outstanding were the numerous proposals for international investigations of the radio industry and the FCC. The House voted down the extensive resolution, while the Senate returned to committee the White resolution although it had been supported by two committees.

Hearings were held in both the House and the Senate on bills to establish a permanent-owned Pan American shortwave station, but united industry opposition, together with a lack of support from the administration, caused them to be buried in committee.

Copyright legislation, including House ratification of the international copyright treaty, was at a standstill at Congress quit, no action having been taken since the first session.

The Senate adopted a resolution approving its unanimous action to super-power the broadcasting and retitles the North American Broadcasting Agreement and Inter-American Communications Convention during the final week.

A dozen or so other radio interesting pools, including one proposal of the FCC regarding control of distillery securities failed even to obtain Committee support.

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BROADCASTERS' EARNINGS SHOWS GAINS IN FOUR QUARTERS

Broadcasters of the country were definitely in the money in 1947, according to figures made public this week by the Federal Communications Commission during the super-power hearings. They had a gross income of $[illegible],000,000 and a net return of $[illegible],000,000.

Combining the industry's investment in property at $[illegible],000,000, the FCC statistician figures the net return as 15 percent. This figure, however, does not include salaries [illegible] as distributed from their many ventures. Broadcasters believe this would add another $[illegible],000,000 to the industry's investment and reduce the percentage profit accordingly.

Network revenues, including secondary chains and key stations, amounted to $40,541,062 in 1937, or a net return of $6,395,955, about a third of the industry's total earnings.

Capital investments of networks, including key stations and owned and managed stations, was estimated at $16,000,000 by the FCC statisticians.

Program and talent made up by far the greatest expense of the broadcasters, as might be expected. The total for the year was $32,500,677. Salaries of the administrative and sales staff ran a close second, however, amounting to approximately $20,000,000.

Total time sales by networks and stations amounted to $117,908,973, of which the networks took in $35,812,537.

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WHITE ANALYZES HAVANA RADIO TREATY AND CONVENTION

Following are excerpts from the analysis of the North American Broadcasting Agreement and the Inter-American Radio Communications Convention by Senator Wallace H. White, Jr., (R.), of Maine, the Senate's leading authority on radio matters:

"The North American Regional Broadcasting Agreement is an agreement concluded by Canada, Cuba, the Dominican Republic, Haiti, Mexico, and the United States. It may be said generally that this agreement establishes the technical principles which our radio experts believe should be followed in the use of the standard broadcast band in the North American region, so-called, which includes the countries party to this agreement. The agreement represents the efforts of the technicians of the six countries to establish these principles and to make practical application to them.

"I have heard but two criticisms of this agreement. The first is that it sanctions superpower stations and thereby threatens harm to stations of lesser power in our country and tends to concentrate broadcasting opportunity in the hands of the few who are licensed to use superpower. In my opinion the criticism is not justified. It is true that in the agreement, stations with a power in excess of 50 kilowatts are recognized and defined as class 1-A stations. This classification does not authorize the erection or the operation of any station with power in excess of 50 kilowatts. It simply recognizes that there are such stations; that the nations under their own law may license such stations; and it seeks with respect to them to declare the principles which shall control their operation precisely as it seeks to lay down the principles which shall guide in the operation of other classes of stations. Under present United States law our Communications Commission has authority to license stations of any power the Commission sees fit. This agreement

neither adds to nor takes from our Communications Commission the authority vested in it in this respect. I repeat that the criticism is without merit.

"The other complaint is that by this treaty the United States surrenders some of the rights in the broadcasting spectrum now enjoyed by it. I do not agree with this criticism. I think it is ill-founded. I believe that the United States will secure from this treaty definite advantages over those now possessed by it.

"This pending broadcast agreement is the result of long study and many preliminary conferences between our authorities and those of Canada, Mexico, and Cuba. I regard it as a substantial accomplishment. I have said above that one criticism of this treaty was that the United States lost rights it has heretofore enjoyed. In my judgment, this is not so. For a long while we have used 90 of the 96 channels within the standard broadcasting band. Of these channels 40 were allocated to clear channel stations, 44 to regional stations and 6 to local stations but the interferences from stations within the other countries party to this treaty have been such that we have had in effect only about 10 clear channels instead of the nominal 40 clear channels. Under this treaty, the broadcasting band has been increased from 550-1500 kilocycles to 550-1600 kilocycles. This added 100 kilocycles will make available 10 additional broadcasting channels. As a result of this increase and other provisions of the treaty, the United States will have the full use of 93 channels and a limited use of 13 channels, making a total of 106 channels which is 100 percent of the broadcasting band. It is an increase of 16 channels over the 90 within the broadcast band we have heretofore been using. For the sake of accuracy, I should add that we have heretofore been using three channels outside the standard broadcasting band. This means that we have made a net gain of 13 channels under this treaty.

"In addition to this, through the technical provisions of the treaty, 32 of the 40 clear channels, the use of which has been heretofore greatly disturbed by foreign interference, have now been cleared. We have the use also of 14 other clear channels, making a total of 46 clear channels which the United States may now use. Of these, 32 will be clear of all interference and the remaining 14 will be measurably free from objectionable interference. At the time of the conference, of approximately 1,000 broadcasting stations on the North American continent, 725 were in the United States. Not a single one of these stations within the United States need be given up because of the agreement reached at Havana.

"These accomplishments have not been brought about without a price but that price involves only a shifting of the frequency allocations made to our broadcasting stations. This shifting of frequencies is necessary to conform our broadcasting structure and our operating practices to the technical principles and standards agreed upon in Havana. The shifting will impose a small expense only upon the stations involved."

Regarding the Inter-American Convention, Senator White said:

"The Inter-American Communications Convention is an undertaking on the part of the United States and the other principal countries of the Western Hemisphere to establish a permanent inter-American radio organization through which the signatory or adhering countries can effectively consult converning common radio-communication problems. It contemplates further that the countries party to the convention shall communicate to this central organization all provisions of internal and international radio legislation and regulations in force in their respective territories and statistical, technical, and administrative reports relative thereto. By the terms of the convention this inter-American organization is to have charge of the work preparatory to future inter-American conferences and the publication and circulation of the work accomplished by conferences. Generally, it may be said that this inter-American organization is to be the secretariat for all future inter-American conferences and that it will perform the duties and have the responsibilities incident to such a service.

"In addition to this general purpose, the convention includes various agreements all of a general character, as for example, that the contracting Governments shall take appropriate measures to insure the maintenance of adequate radio service for the safety of navigation by sea and by air; that aircraft when operated on international scheduled services and carrying passengers shall be provided with radio apparatus in efficient condition and in charge of properly licensed operators; that each Government will take steps to establish a sufficient number of regional radio stations to furnish meteorological and safety information for use in air traffic; that they will encourage rapid and economical transmission, dissemination and exchange of news and information among the nations of America, and other provisions general in character which it is believed will benefit all nations."

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Dr. Ernest F. W. Alexanderson, radio inventor and consulting engineer of the General Electric Company, has received word that the honorary degree of Doctor of Philosophy has been conferred upon him in absentia by the Royal University of Uppsala, Sweden.

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McCOSKER SEES 50 KW MINIMUM UNDER NEW TREATY

Although he testified the day before the Senate ratified the Havana Treaty, Alfred J. McCosker, President of Station WOR foreshadowed the effect it would have on United Stations stations in testifying at the super-power hearing at the Federal Communications Commission.

"If the Commission today, or for many months to come, considers it undesirable to permit the use of power in excess of 50 KW by a station in the United States, there is still no necessity or apparent value in the adoption of a rule by the Commission restricing the Commission's authority to grant the use of power in excess of 50 KW", Mr. McCosker declared. "It deserves to be kept in mind that, in the relatively near future, it is probable we will be operating our radio stations in accordance with the Inter-American Radio Treaty. In that treaty Class 1-A stations are required to operate with a minimum power of 50 KW.

"Our neighbors now have in operation at least one station using power in excess of 50 KW, and it may reasonably be expected they will, in the future, have additional stations operating with power in excess of 50 KW. It is my understanding the licensing authorities of the other countries, signatories to the Havana Treaty, have no thought or intention to limit in such countries, by rule or practice, the use of power by their Class 1-A stations. Therefore this rule, if adopted, will serve the negative purpose of inviting our neighboring foreign stations to encroach on our commercial markets and to spread such gospel as they may choose. This rule, if adopted, would be similar to a law prohibiting the exportation of our goods into foreign markets and permitting the unrestricted importation of foreign goods into our markets."

Mr. McCosker, who was offered as the principal witness by Former Representative Frank D. Scott, of Michigan, counsel for WOR, continued to dwell upon the foreign aspect of the situation as follows:

"It is neither the purpose or intention of this country to tell our neighbors how they should live, or the manner in which they should govern themselves. However, it is definitely our responsibility to furnish accurate information to our citizenship to preserve our form of Government and to keep our house in order. Recent world events have proven that conquest can be accomplished by persistent partisan propaganda as successfully as by war. The adequate self defense of our institutions require us to maintain the possibility of using a medium of communication in the United States."

Mr. McCosker launched a strong protest against the proposal to class WEAF, WJZ and WABC as Class 1-A stations and the proposal to place WOR as a Class 1-B station saying this had occasioned adverse repercussions toward WOR.

"The advertising agencies immediately contacted us with a query as to why WOR was to be relegated to a 1-B classification. It may be urged that this is mere psychology. Such a diagnosis has been made of depressions and other social convulsions", Mr. McCosker submitted. "However, as long as we have human beings, we may expect psychology to play an important part in our scheme of life. The people who use the facilities of WOR, by and large, insist on using one of the best stations in the New Jersey-New York area. It may be urged there is no material difference between 1-A and 1-B stations, but we cannot convince our customers and prospects that there is a distinction without a difference. They ask: 'Then why the distinction?' In truth there is a substantial difference between 1-A and 1-B stations independent of the comparative protection to service areas. The Class 1-A station has the opportunity of promotion - expansion. The Class 1-B station is definitely static."

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SEES WCAU'S 1938 BUSINESS ALMOST DOUBLED

A large increase in the business of Station WCAU, despite depression conditions, was seen by Dr. Leon Levy, of Philadelphia, its President, at the Federal Communications Commission's super-power hearing. Dr. Levy, introduced by his counsel, Paul A. Porter, said:

"From January 1st to June 1st, of this year, we did a gross business of approximately $430,000, and my estimate of the gross business for the year 1938 is approximately $800,000. Our company does not owe any money other than current monthly liabilities and has no outstanding preferred stock or bonds.

"At the present time, we are spending about $40,000 for improvements in our building. Although we have been in this building a little over five years, we have expanded our organization considerably during that time, and we are now constructing two additional studios. We will have a corrdination of our offices which will bring about increased efficiency. We are building separate recording studios with up-to-date equipment and increased facilities for experimental and research work."

Dr. Levy told the Commissioners that the WCAU Broadcasting Company owned its building against which there are no mortgages or encumbrances, that it was located on the principal street in the most important section of Philadelphia and added that $263,801 had been spent on the transmitter and land.

The station has 120 employees with a monthly payroll of $23,000, operating expenses per month of $48,000, and about $10,000 a month spent on local talent. The witness stated that the station's owners had invested $1,600,000 in the promotion and development of the station, a sum, which it was declared, was perhaps not equalled by any other individual broadcasting station in America.

This led to a plea on the part of Dr. Levy that WCAU be classed as an 1-A station. Calling attention to the fact that Philadelphia is the third largest city in the United States, he declared:

"Surely, such development should not be retarded and should not be penalized by any reallocation that fails to take all of these matters into consideration.

"If necessary, the number of 1-A station classifications should be increased to twenty-six which can be done without prejudice to any other existing station and which should be done by the United States at this most important time when it would appear that final allocation is to be made of the various frequencies. The United States should not penalize themselves by a policy of adopting only a minimum number of 1-A stations.

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LOBBYIST CHARGES EXCHANGED AS HOUSE BLOCKS PROBE

Charge of lobbying were hurled both by proponents and opponents of a resolution calling for an investigation of the radio industry and the FCC before the proposal was voted down late Tuesday night in the House by a vote of 234 to 101.

Critics of the resolution turned their principal fire on Commissioner George Henry Payne, who had appeared before the House Rules Committee to make charges against his colleagues and figures in the radio industry.

Representative Warren (D.), of North Carolina, called him "a disgruntled Republican smart aleck", while Representative Cox (D.), of Georgia, asserted that he "presented a very sorry figure in his appearance" before the Rules Committee.

Chairman O'Connor, of the Rules Committee, led the unsuccessful fight for the resolution. He was joined by Representatives Connery (D.), and Wigglesworth (R.), of Massachusetts, and others, including Representative Fish (R.), of New York.

Representative Fish dared the House Democrats to pass the resolution and declared he was particularly interested in finding out whether Charley Michelson, Democratic publicity chief, "is still receiving $10,000 from the Crosley Radio Corporation of Cincinnati for the use of his influence".

The lengthiest defense of the radio industry and the FCC came from Representative Stefan (R.), of Nebraska.

Excerpts from the hour-long debate follow:

Mr. O'Connor:

"I have never seen a situation just like this. I have never in my life seen such lobbying against a resolution, from high places and from low places, from part of the leadership of the House and from the page boys of the House and even the colored boys in the other places. I have been here so long I can smell what is going to happen in this House.

"This is not my resolution. It is the resolution of a great friend of ours, our late beloved colleague 'Bill' Connery, of Massachusetts, who introduced it years ago. It is his resolution that has been reported out. Admittedly there is a 95-percent monopoly of radio in the hands of certain interests. You can walk out in that lobby tonight and you will find difficulty in getting through the lobby because of the crowd of radio lobbyists from New York and all over the country, and from every department of the Government. This is the situation we face. The Committee on Rules instructed me after holding hearings for 2 years to bring in this resolution to investigate the radio monopoly. I know all the pressure that has been put on my friends. I know all the pressure that has been put on all the Members of this House. I shall reply to the alibis when I close. I can take a licking, but there will be a scandal in America as far as the interests of our public are concerned if this resolution is voted down. We shall have a roll call and see who is for the public and who is for the radio trusts."

Mr. Wigglesworth:

"We are confronted also by a practice of trafficking in licenses which to my mind carries with it all the possibilities for the capitalization of these Federal franchises into profits to the detriment of the people as a whole, as in other fields in the past in this country.

"I have not time to go into the details of the monopoly. Every one of the 40 so-called cleared channels in the broadcast band is today controlled by a station owned or affiliated with one of the three big chains; 96 percent of the full-time operating power is similarly allocated to chains affiliated with the big three. At last accounts no independent station was authorized to operate with more than 1,000-watt power, while over 200 Big Three stations were authorized to operate with a power of 50,000 watts, one of them with a power of 500,000 watts."

Mr. Connery:

"Mr. Speaker, first of all I wish to commend the chairman of the Committee on Rules and the Rules Committee for bringing this resolution into the House for action. It seems ridiculous to me that anybody should have to stand in the well of this House and tell its membership that a radio monopoly exists. It is generally conceded that such a monopoly does exist, and in this resolution the National Broadcasting Co., the Columbia Broadcasting System and the Mutual Broadcasting Company are specifically named. The greatest proof, to my mind, that a radio monopoly does exist, and that the whole situation shows that there is something 'rotten in Denmark', is the very fact that the Federal

Example from the Run-Jane debate (Allen)

Mr. O'Connor:

"I have never seen a television just like this! I have never in my life seen such lobbying against a resolution, from high places and from low places, from part of the Independent of the House and from the rank file of the Whigs and even the elected boys in the other places. I have been here so long I can smell that it reeks to capture in this House.

"This is not my resolution. It is the resolution of a great friend of ours, our late beloved colleague 'Will' Connery, of Jeffersonville, who introduced it years ago. It is his resolution that has been reported out. Admittedly there is a 3% premium monopoly or racket in the hands of certain interests. You can walk out in that lobby tonight and you will find literally it pouring through the lobby because of the power of radio lobbies from New York and all over the country, and from every department of the Government. This is the situation we have. The Committee on Rules instructed me after holding hearings for 9 years to bring in this resolution to investigate the radio monopoly. I know all the pressure that has been put on my friends. I know all the pressure that can been put on all the members of this House. I shall reply to the ability when I close. I can take a lickin', but there will be a scandal in America for the interests of our publics are concerned if this resolution is voted down. We shall have a roll call and see who is for the public and who is for the radio trusts."

Mr. Higginsworth:

"I am confronted also by a question of identification in whose mind exists as it all the prostitutes to for the capitalistic dear Federal Treasuries lure profits to the detriment of the people as a whole, as in other fields in the print in this country.

"I dare not like to go into the details of the monopoly. Every one of the 40 associated channels controls in the broadcast band is today controlled by a radio owned or affiliated with one of the three big chains; 85 percent of the full-time broadcasting power is exclusively allocated to the line affiliated with the big three. At last account by independent checkers and engineers there are fifteen time stations to operate with more than 1,000- watt power, while only 50 are to operate with a power of 500,000 watts."

Mr. Connery:

"The Speaker, first of all I want to commend the committee on Rules and the Rules Committee for bringing this resolution into the House for action. It should have come in the first day Congress met. It should have been the duty of this Administration to come and tell its Attorney-General to start a radio monopoly suit. It is generally understood that such a monopoly does exist, and in fact the Federal Communications Commission, the Federal Trade Commission and the United States Treasury Department are specifically named. In my mind that is a radio conspiracy to close exist, and that the whole situation where there is something 'rotten in Denmark', in its very from the [illegible]

Communications Commission itself, realizing that such monopoly does exist and that conditions are obnoxious, has voted and is now in the process of an investigation of its own into the situation.

"But here we have the farcial situation of the Federal Communications Commission investigating something for which it is directly responsible. This monopolistic situation is nothing new. Radio monopolies have existed for years; and the Federal Communications Commissioners have had every opportunity to rectify conditions and clean them up; and, therefore, it seems ridiculous to me, and it should to all other Members of the House, that we can expect the Federal Communications Commission to investigate itself. Such procedure, of course, will only result in whitewash."

Mr. Warren:

"Mr. Speaker, I certainly am not here to offer any alibis that might be attempted to be answered later on in this debate as to my opposition to this resolution. No lobbyists have talked to me about it. No one has seen me and asked me to oppose it, although it is a well-known fact that this hall out here has been covered with them today asking Members to support it. . .

"I will tell you what is back of this thing. The whole thing was started on baseless charges which he has refused repeatedly to substantiated by Commissioner Payne, a disgruntled Republican smart aleck of the Communications Commission.

"I hold no brief for Mr. Frank R. McNinch. Back in the Hoover administration I appeared before the Senate committee in opposition to his confirmation, and I made some very caustic remarks at that time about the gentleman. We were mad then in North Carolina; a political question was involved, and we attributed most of our troubles at that time to Mr. McNinch."

Mr. Cox:

"The gentleman from North Carolina put his finger upon the trouble. This resolution is here because of certain insinuations that have been made by Mr. Payne of the Commission. The Rules Committee had Mr. Payne pay it a visit, and he was given full opportunity to make complete disclosures and sustain by evidence the insinuations or the charges which he had been making for many months.

"Mr. Speaker, Mr. Payne presented a very sorry figure in his appearance before that committee. Having stated he would offer proof to sustain his charges, upon a subsequent appearance he confessed that he had no evidence to support the statements he had made. He wasloose, careless and irresponsible in what he said, and made a most unfavorable impression."

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HEINL RADIO BUSINESS LETTER

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No. 1135

June 21, 1938.

TELEVISION ALLOCATIONS FOUGHT BY RADIO SERVICES

Protests against the allocation of 19 channels to experimental television in the ultra-high frequency bands were heard by the Federal Communications Commission this week in a move to clear the way for making its frequency allocations between 30,000 and 300,000 kc. effective next October.

Radio services engaged in communications united in urging the FCC not to give television such a large share of the ultra-high frequencies while it is still in the experimental stage.

FCC engineers hoped to work out a compromise, however, whereby the allocation order would be no longer delayed. Issued last Fall, it is due to take effect in October.

Involved in the order, though not in the controversy, are 75 channels in the band 41,020 to 43,980 kc. for aural broadcasting - a new type of radio station that is designed to provide local service exclusively.

The Commission in its Order No. 19 allocated seven channels between 44,000 and 108,000 kc. to television along with 12 channels between 156,000 and 300,000 kc. Each television channel is six megacycles wide.

Objections were made by the following radio communications services:

Mutual Telephone Company of Hawaii, Mackay Radio & Telegraph Co., Inc., RCA. Communications, Inc., Press Wireless, Inc., Aeronautical Radio, Inc., and International Business Machines Corp.

Col. Manton Davis appeared as counsel for R.C.A. Communications, Inc.; Louis G. Caldwell represented Press Wireless and Aeronautical Radio, while John H. Wharton appeared for Mackay. International Business Machines was represented by Alfons B. Landa and Walter S. Lemmon, President of the World Wide Broadcasting Foundation.

Because the ultra-high frequencies promise to open new fields for radio, the outcome for the fight for allocations is likely to have profound influence on the development of the radio industry.

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June 21, 1950.

TELEVISION ALLOCATIONS FURNISHED BY RADIO BROADCAST

Protests against the allocation of 49 channels to experimental television in the ultra-high frequency bands were heard by the Federal Communications Commission this week in a move to clear the way for making its frequency allocations between 50,000 and 300,000 kc. effective next October.

Radio services engaged in communications united in urging the FCC not to give television such a large share of the ultra-high frequencies unless it is utilized in the experimental stage.

FCC engineers hoped to work out a compromise, whereby the allocation order would be no longer delayed. Issued June 30, it is due to take effect in October.

Involved in the order, though not in the controversy, are 78 channels in the band 44,000 to 43,000 kc. for aural broadcasting - a new type of radio operation that is designed to provide local service exclusively.

The Commission in its Order No. 16 allocates seven channels between 44,000 and 108,000 kc. to television along with 13 channels between 174,000 and 216,000 kc. Each television channel is six megacycles wide.

Objections were made by the following radio communications services:

Mutual Television Company of Detroit, Kearny Radio & Telegraph Co., Inc., RCA Communications, Inc., Press Wireless, Inc., Aeronautical Radio, Inc., and Philadelphia Musical Guidance Corp.

Col. Marion Davis appeared on behalf of R.C.A. Communications, Inc.; Lewis M. Clement, Vice President of Press Wireless and Aeronautical Radio, Inc.; Philip Cohen of Mutual Broadcasting System; Lawrence Spivak, Vice President of Kearny Radio & Telegraph Co., Inc.; Lewis M. Clement, Vice President of Press Wireless, Inc.; Aeronautical Radio, Inc.; and Philadelphia Musical Guidance Corp.

Col. Marion Davis appeared on behalf of R.C.A. Communications, Inc.; Lewis M. Clement, Vice President of Press Wireless, Inc.; Aeronautical Radio, Inc.; Philip Cohen of Mutual Broadcasting System; Lawrence Spivak, Vice President of Kearny Radio & Telegraph Co., Inc.; Alfons P. Landa and Rufus C. Harmon, Consultants of Los Angeles, Broadcasting Foundation.

Because the ultra-high frequency spectrum is open now mainly for radio, the entrance fee for allocations is likely to have profound influence on the development of the radio industry.

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CLEAR CHANNEL COMPLETES CASE ON SUPER-POWER

The Clear Channel Group of broadcasting stations completed their case in behalf of super-power before a special committee of the Federal Communications Commission early this week and the regional stations opened their arguments for horizontal power increases and a break-up of clear channels.

With the hearings going into the third week, public interest had subsided to such an extent that a much smaller room was taken for the inquiry than the Commerce Department auditorium where the investigation opened June 6th.

More lively testimony and possibly some pyrotechnics were anticipated when the hearing shifts to the WLW case, probably next week.

A damper was put on the plea of the Clear Channel Group of stations for a change in FCC rules to permit regular authorized power of 500 KW by the action of the Senate just before adjournment in adopting the Wheeler resolution. Although the Wheeler resolution was merely advisory, even broadcasters admitted that the FCC would hardly move to amend its 50 KW power limitation rule in the face of a Senate expression of policy against super-power.

As a consequence the major issue for the remainder of the inquiry appeared to be a fight between the Clear Channel Group and the National Association of Regional Broadcast Stations over whether or not the clear channels are to remain intact or be split up for the benefit of regional outlets.

The Clear Channel Group did not ask for an immediate assignment of stations to 500 KW but requested that the FCC rule limiting power to 50 KW be amended to fix 50 KW as the minimum power for clear channel stations. This change would open the way for super-power allocations in the future.

Regional stations were asking for horizontal power increases from 1,000 to 5,000 watts, while local stations sought to raise their power from 100 to 250 watts. No opposition had developed up to this week on this demand.

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ENOUGH ADVERTISING FOR ALL, MALAND CONTENDS

Contradicting arguments that super-power stations would undermine the economic support of regional and local stations, Joseph O. Maland, of WHO, Des Moines, appearing as the final witness for the Clear Channel Group this week argued that there is enough potential advertising for all classes of radio stations even though the super-power stations over-reach the locals and regionals.

Under questioning by Louis G. Caldwell, counsel for the Clear Channel Group, Mr. Maland discussed at length the social and economic issues involved in super-power operation.

"What little competition now exists between a 50 KW. clear channel station and a regional or local station in the same city will disappear", he said. "WLW, for example, carries no local advertising whatsoever; its commercial programs consist entirely of network and national spot advertising. All local advertising in Cincinnati is done over the other stations, together with a large amount of network and national spot advertising as is apparent from Table 27. At present, for the remaining 28 full-time 50 KW. stations, about 22.5% of the time sales is local advertising. Of the 10 in our group, the percentage is 14.2%. Even this percentage may be too high because a number of stations have reported time sales as 'local' that must be considered regional and therefore national, so far as radio is concerned. That is, they require or desire coverage over a larger area than a regional or local station can give. In the case of WHO, we find our local advertising at present is only 2.9% of the total. Whatever be the correct percentage, it is clear that it will be lost with an increase of power to 500 KW. and it is equally clear that it will go to regional or local stations in the same city. A local retailer is not going to pay high rates for coverage over an area which means nothing to him. The same is true of local wholesalers, to a large extent.

"With reference to network and national spot advertising, it is also clear that regional and local stations will not lose the business they now have. There will still be as many competing networks and probably more. The regional and national spot advertising regional and local stations now have will be retained; the very fact they have it is due either to the higher rates and excess coverage, or the higher rates alone when the appropriation is limited, or the unavailability of the particular time of day desired by the advertiser. The same reasons, and particularly the higher rates, will be even more in evidence with the increase of the clear channel station's power to 500 KW."

"In my opinion, local advertising is one of the fields which radio has hardly begun to take advantage of. This is shown by the experience of the principal other class of media which can meet the needs of the local advertisers, newspapers.

ENQUOL ADVERTISING FOR ALL...MEANS CONTROL

For example, the Media Records Blue Book showed that during the year 1937 the display advertising in 396 daily and Sunday newspapers in 103 cities was 70.4% local retail, 21.6% general or national, and the other 8% divided between automobile and finance. The issue of Editor and Publisher for February 26, 1938, showed that of the total advertising revenue of all newspapers for 1937, amounting to $620,000,000, $194,000,000 went to national advertising. The experience of newspapers is that the smaller the community, the larger is the percentage of local display advertising.

"Successful national advertising acts as a spur to local advertisers to use the same methods and the same media, so far as possible, to reach the local public."

Discussing the increase in rates necessary to support a 500 KW. station, Mr. Maland stated that in his opinion it would amount to from $175 to $200 per hour over existing rates for 50 KW operation. He pointed out that every member of the Clear Channel Group was firmly convinced that if the stations increased their power to 500 KW., the proportion of network programs was certain to be reduced to about two hours instead of three out of four.

Mr. Maland pointed out that with $8,000 in time charges an advertiser could have a quarter-hour advertising program over a network of 90 to 100 outlets from coast-to-coast with a potential audience of many millions, while the Saturday Evening Post, with a circulation of slightly over 3,000,000 charges $8,000 for one page in the interior of the magazine in black and white and as high as $15,000 for the outside back cover in colors.

With respect to the location of clear channel stations, Mr. Maland stated that for technical reasons stations must, for the most part, be established in the larger centers of population where a higher signal strength is necessary, whereas the surrounding population can be served by weaker signals. With respect to economic factors, he contended that due to the cost of operation, high power stations must necessarily be located in the larger trading areas.

With regard to the social factors, Mr. Maland stated that there could be no basis for fear that licensees of the Clear Channel stations might use them for editorial or political purposes.

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ENGINEERS REVIEW LABORATORY GAINS IN TELEVISION

Considerable progress has been in made in laboratory experiments with television in this country, RCA scientists told the Institute of Radio Engineers in New York last Saturday at a special session devoted to visual broadcasting.

Dr. R. B. Janes and W. H. Hickok of the RCA tube laboratories at Harrison, N. J., described improved pickup or "Iconoscope" tubes in which tubes of the general type now employed in the field tests were made three times as sensitive through research in the chemistry and physics of photo sensitive surfaces. The scientists also conducted experiments in the field of optics, and by improved glass envelopes for the tubes have been able to transmit images to the "mosaic" within the tube with greater clarity and sharpness of focus. The increased sensitivity thus obtained at the point of pick-up is added insurance against their being reproduced in the receiver with the characteristics of an under-exposed photograph. It was revealed that the improved Iconoscopes were now receiving practical test by NBC engineers in the field tests.

A paper by Dr. R. R. Law considered advances in providing greater contrast in the images reproduced in Kinescope tubes. It was pointed out that, desirable as "bright" images may be, this quality is not sufficient in itself for the clearest possible picture reproduction. Accordingly, Dr. Law's recent researches have been concerned with the improvement of "contrast" in television receiving tubes.

Closer to the frontier of pure research, and consequently somewhat more remote from practical application, were the revelations of H. Iams, Dr. G. A. Morton and Dr. V. K. Zworykin. This paper reported on the progress of the RCA laboratories in combining the electron image tube with the Iconoscope to provide a six to ten time increase in sensitivity. In this "super Iconoscope" the scene to be televised is focussed on a photo-cathode surface. Light striking the surface knocks out electrons from its further side in proportion to its intensity at any point.

Another possible approach to Iconoscopes of increased sensitivity was described by Dr. V. K. Zworykin and J. A. Rajchman in their joint paper dealing with the "electrostatic electron multiplier". This is a device in which electrons are made to bounce from surface to surface, disloding several times their number at each impact. It has been calculated that it is theoretically capable of amplifying an impulse 200,000,000 times. Obviously, such a device, successfully coupled to an Iconoscope, should increase its sensitivity enormously.

ENGINEERING REVIEW LABORATORY DATED 23 FEBRUARY

When RCA scientists announced the creation of the electron multiplier, in 1936, the bouncing electrons were controlled by a magnetic field. However, magnetic fields in immediate proximity to the Iconoscope present problems, because magnetism is also used to control the beam that scans the picture within the tube. In the electrostatic electron multiplier, the magnetic field is eliminated in favor of other control, which does not interfere with the normal working of the Iconoscope. The engineers have thereby removed a large obstruction from their path toward the "candid" Iconoscope of the future, which will get clear pictures under adverse conditions of illumination.

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DELETION OF WMBO URGED FOR ACT VIOLATION

Denial of the application of Station WMBO, Auburn, N.Y., for renewal of its license was recommended to the Federal Communications Commission this week by Examiner Robert L. Irwin on the grounds that it was transferred to the Auburn Publishing Company in violation of the Communications Act.

At the same time Examiner Irwin recommended that the license of WBNY, Buffalo, also operated by Roy L. Robertson be renewed.

Mr. Robertson, according to the Examiner's report, acquired control of WMBO in February, 1936, but in July 1, of the same year entered into an agreement to transfer the station to the Auburn Publishing Company for $15,000 without obtaining FCC approval.

Other Examiner's recommendations during the past week were:

That WBNX, New York, and WMBG, Richmond, Va., both operating on 1350 kc., be granted increases in power from 1 KW to 1 KW-5KW, the latter for daytime operation.

That WHBL, Sheboygan, Wis., be granted an increase in daytime power to 1 KW and that the operating hours of WEMP, Milwaukee, be increased from daytime to unlimited.

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CELLER STRONGLY DEFENDS RADIO INDUSTRY

A vigorous defense of the radio industry was made by Representative Emanuel Celler (D.), of Brooklyn, in opposing the investigation of the Federal Communications Commission recently voted down by Congress.

"Various charges and so-called indictments have been brought against a number of radio companies", Mr. Celler said. "I herewith set forth some of these charges, and what I deem to be the correct answers thereto:

"First. It was charged that sales and transfers constituted 'trafficking in licenses'.

"Transfers of radio stations must be approved by the FCC. Transfers cited before the Rules Committee were approved after public hearing. In each case it was demonstrated that the transfer price was reasonable in relation to prospective earnings. To base transfers on the value of equipment involved would be to limit such transfers to radio stations which are unsuccessful as business ventures. Public interest, not price, is the test upon which transfer of control should be determined. Congress did not intend transfers should be disapproved because the sale price is more than the value of the apparatus.

"Second. It was charged that because of network operation, a monopoly exists in the ownership and operation of radio stations.

"There is intense competition among networks. There are four major networks, many regional networks. A station affiliated with a network is an independent station, voluntarily entering into a contractual arrangement to obtain the program service of a network just as a newspaper subscribes to the service of a press association.

"Third, It was charged that big stations 'drown out' small stations, and that small stations have the best programs.

"Engineering data at the F.C.C. reveal that two stations can now serve the same area without mutual interference, irrespective of the power output of either station. Questions of program content are matters of common knowledge. The FCC is engaged in a comprehensive study to determine the place of small stations in the future development of the industry.

"Fourth. It was charged that radio is 'dominated and controlled by the power trusts'.

"The FCC is required to keep a complete record of stock ownership of all radio stations. Full and complete information of ownership of radio stations is now available from public records. Only 2 of 696 broadcasting stations in the United States are owned by power companies.

"Fifth. It was charged that the 40 clear-channel stations in the United States are controlled by the major network companies.

"Most of these stations are independently owned stations and have affiliated with the networks to obtain high quality program service. Of the 97 stations carrying Columbia programs - March 1937 - only 10 are clear-channel stations.

CELLER ATTORNEY DEFENDS RADIO INDUSTRY

Columbia owns eight and leases one of these stations, five of which are clear-channel stations.

"The National Broadcasting Co. controls 17 stations outright. Its blue network and red network comprise 145 stations, including the 17 aforesaid.

"Mutual owns only one station, and that is WOR, located at Newark, N. J. It has arrangements with 77 other stations.

"It is interesting to note that no network license has ever been revoked."

Representative Celler declared that much is said concerning the hugh profits of some of the broadcasting stations.

"My answer is. 'What of it?' Representative Celler went on. "They pioneered; they risked their all in the beginning. They went into undiscovered regions. They are entitled to their rewards. Just as in the beginning they pioneered in the field of radio, so they are now pioneering in short-wave broadcasting. They are constantly experimenting. Before long these same companies will give us television. The profits derived in radio aids these companies in developing and advancing in these new realms. If not for these profits, we would not have advanced so far in radio. If not for these profits, we would not now have the present benefits of short-wave broadcasting and television. There would not now be at the disposal of these companies funds for experimentation into short wave and television."

The Brooklyn Congressman referred to the purchase of KNX, a 50,000 watt station in Hollywood, the payment of $1,250,000 for which occasioned considerable comment last year.

"While such a price may appear high, it should be noted that on this investment an earning of 16% was shown", Mr. Celler continued. "A thorough hearing on this transfer was held by the three Commissioners comprising the Broadcast Division of the Communications Commission. They unanimously approved the transfer. Undoubtedly, the desire to encourage competitive conditions in the industry entered into their decision. It was shown in the records that Columbia Broadcasting System had no adequate outlet in Southern California and that to deny the transfer would be tantamount to denying the people of that area a full opportunity to hear Columbia programs. Moreover, important programs can be originated from that source because of the concentration of available talent incident to the moving-picture industry. These and other factors made it appear to the Commission that the transfer was thoroughly justified. And it is undoubtedly true that this purchase price is substantially lower from the standpoint of earnings than the price paid for other stations which the Commission has approved.

"In connection with the purchase of Station KNX, it was the view of a certain company that it would be subject to justifiable criticisms if it declined to meet the price at which this station was available. In order to perform acceptable public service, it was necessary to have this outlet on the West Coast.

Had this company failed to acquire this property on the grounds that the price asked represented an amount in excess of the value of the equipment, it was felt that the company would not be meeting its obligation to offer the listeners in every section of the United States the benefit of its service.

"It should also be noted that Federal taxes are an important factor in arriving at an agreement for the price to be paid for a station. An example is Columbia's proposed purchase of WOAI at San Antonio, Tex., for $825,000, which also has been referred to before the Rules Committee. The purchase price, I am informed, was based upon the seller's desire to obtain $600,000 net for his station. The remainder of the purchase price, or $225,000, was the approximate amount which would be paid in taxes to the Federal Treasury. In this case taxes constituted such a problem that the seller insisted upon cancellation of the contract after December 31, 1936, if the proposed transfer was not approved by the Commission. The Commission neither approved nor disapproved this transfer, there having been insufficient time for consideration after the examiner who conducted the hearing made his report. This proposed purchase was an attempt by Columbia to equalize the facilities in Texas where Columbia suffered a competitive disadvantage."

The history of the rapid growth and development of the radio industry Representative Celler stated clearly demonstrates that there is vigorous competition among networks and reveals that the charge of monopoly is wholly without foundation.

"The National Broadcasting Co. was organized in 1926, and, as it pioneered the field, had no competition when it formed its red and blue networks", the speaker continued.

"The Columbia network was established in 1928 and began with a nucleus of a very few relatively low-powered stations which were on the less-favored channels in the East. In the face of strong and established competition, the Columbia network has steadily developed. By its initiative, its originality of production, the need which it met, and the public acceptance of its services, this network has rapidly increased its competitive force. Then came the Mutual Broadcasting Co., which has ever sought a betterment of facilities which will improve its opportunity to serve the listeners of the United States. Certainly it can be demonstrated that National, Columbia, and Mutual have brought effective competition into the network field. It has prevented what otherwise threatened to become a great single network monopoly, as I said before, under the control of one giant company analagous to the American Telephone & Telegraph Co. Inquiry to advertisers who purchase radio time or a casual examination of the industry's trade publications will disclose that competition among major networks is intense and that no monopoly exists.

"It should be obvious that four networks do not constitute a monopoly.

"It was asserted before the House Rules Committee that the 40 clear channels in the United States are controlled by National Broadcasting Co., Columbia, and Mutual.

"Without going into great detail to answer this charge, it may be pointed out that there are four major networks operating regularly from coast to coast in the United States - National Broadcasting Co., with its Red and Blue networks, the Columbia, and Mutual. A few clear-channel stations are on each network. Some of these stations are owned by the networks, but most of them are owned independently and have become affiliated with the networks to obtain high-quality programs presented by nationally known talent.

"Each of the networks serves substantially more regional and local than clear-channel stations, the vast majority of all classes being independently owned. For example, of the 97 stations carrying Columbia programs as of March 1937, 10 are clear-channel stations, 6 are duplicated or 'broken-down' clear channel stations with coverage somewhat larger than regional stations, but substantially less than clear-channel stations, 2 are part-time clear channel, 65 are regional stations, and 14 are local or 100-watt stations. Of this group of 97 stations which comprise the Columbia Broadcasting System, Columbia owns only 8 and leases 1, and of these 9, 5 are clear channel, 1 is duplicated channel, and 3 are regional stations. The remaining 89 stations are independently owned and have voluntarily entered into contractual relationship with Columbia in order to receive its program service."

"It must be remembered that the broadcaster, to attract and hold the attention of the audience, must be keep to perceive what the audience wants and likes to hear. Whereas a Senator or Congressman comes up for reelection periodically, the broadcaster's programs are subject to continual vote of their listeners. It takes only a twist of the dial for the listener to vote for or against the offering of a network or a station, and this voting process is going on continually. The fact that the American people seem well satisfied with the quality of service they are receiving, plus the fact that the American programs have the highest quality of those of any country in the world, is evident from the general approbation the industry continually receives from the public."

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Stations WOR, Newark, N.J., and WLW, Cincinnati, were granted authority this week to increase the power with which they are conducting facsimile transmission experiments from 5 to 50 KW.

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BAN ON RADIO NEWS DISCUSSED AT NAEA MEETING

The recent trend toward elimination of radio news columns from newspapers was discussed at the annual convention of the Newspaper Advertising Executives' Association in Detroit last week, according to Editor & Publisher.

"Newspaper advertising managers evidenced a keen interest in the subject of eliminating radio news columns from the paper, with some advocating going 'whole hog' and dropping radio program listings as well as gossip columns", the article stated. "Perry LaBounty, Bloomington (Ill.) Pantagraph, led off the discussion by citing his paper's experience in dropping all radio publicity and programs. The Pantagraph has followed such a policy for six years, he said, with no apparent loss in circulation. He termed his paper's stand as being like that of the country boy 'who had an aversion to giving away free what he had to sell'.

"J. W. Fleck, Detroit Times, raised the question as to how much radio has taken away from newspapers in actual lineage. Based on what he termed a fragmentary study in his local field, he was of the opinion radio, as an industry, has put more linage into newspapers than it has taken out via commercial broadcasting. He suggested national research was needed on this subject to clearly establish facts.

"Don Bridge, New York Times, mentioned the experience of one big agency which has added radio to its client's newspaper and magazine advertising program, showing that, contrary to the general impression agencies are eager to push their clients into radio because it is more profitable from the agency's standpoint, such was not the case.

"A show of hands indicated a number of papers have rejected the recent offer of sandwiching in commercial radio programs by sponsor's name, at paid space rates, along with regular unpaid listings.

"Lee Anderson, President of Lee Anderson Advertising Company, Detroit, departed from his prepared speech at the outset to inject his opinion into the radio discussion which preceded his talk. He reminded his audience that newspapers fostered public interest in radio as an entertainment medium in its early stages. He questioned how rigidly newspapers can now clamp down on radio publicity, asserting readers have come to view radio news as an entertainment feature, comparable to baseball, theater, art and book news, which, he said, are given news treatment entirely out of proportion to advertising revenue received directly from them.

"C. M. Campbell, Chicago Tribune, cited his paper's reasons for dropping its radio news column recently. He expressed the opinion that radio news columns should not be compared with movie review and comments, primarily because movies are not a direct competitor of the newspaper from an advertising standpoint. He referred to the paradoxical situation in which newspapers, through radio columns, build listening audiences for radio programs, which, in turn, help make radio a more effective advertising medium."

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DAY ON RADIO NEWS DISCUSSED AT NAEA MEETING

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"Newspaper advertising management evidenced a keen interest in the subject of eliminating radio news columns from the paper, with some advocating going 'radio hog' and dropping radio program listings as well as radio columns", the article states. "Perry Lebsnurt, Binghamton (N.Y.) Press-Chronicle, led off the discussion by citing his paper's experience in dropping all radio publicity and programs. The Press-Chronicle has taken a policy for six years, he said, with no apparent loss in circulation. He quoted his paper's stand as being like that of the country boy 'who had an aversion to giving away free what he had to sell'.

"C. W. Flack, Detroit Times, raised the question as to how much radio has taken away from newspapers in actual linage. Based on that he termed as fraudulent study in his local field, he was of the opinion radio, as an industry, has yet more linage into newspapers than it has taken out via sponsored broadcasting. He suggested committee of newspaper men on this subject to clearly establish facts.

"Dan Bruce, New York Times, mentioned the experience of the big agency which has added radio to its client's newspaper and magazine advertising program, showing that, contrary to the general impression newspaper are going to grab their slice of radio because it is more profitable from the agency's standpoint, such was not the case.

"A show of hands indicated a number of papers have inaugurated the recent policy of broadcasting by commercial radio programs by sponsor's name, as well as those, along with regular unpaid listings.

"Lee Ausherman, President of the Advertising Advertising Company, Detroit, demanded that his paper cease all its activities to injure his station into the red. Discussion which preceded his talk, he mentioned his audience that newspapers reflected public interest in radio. He mentioned motion in the early stages. He questioned the validity newspapers are now clamoring on radio publicity, asserting readers were due to view radio news as an entertainment feature, comparable to Dorothy Dix, Ann Sothern, Walter Winchell, Ed Sullivan, Lee Pape, Mark Hellinger, Broadway columnists, etc., and that newspaper publicity was strictly out of proportion in reference to regional directly from them.

"C. E. Dennis II, Detroit Times, cited his paper's reasons for dropping its radio news column recently. He explained the opinion that radio news publicity should not be accepted as a public service and reasoning, particularly because newspaper men had a natural dislike of the newspaper from an advertising standpoint. He referred to the paper's natural antipathy in selling newspapers, through radio columns, until listening audiences for radio programs ended, in turn, help make radio a more effective advertising medium."

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

CONFIDENTIAL — Not for Publication

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JUN 25 1938

FCC MAY ISSUE RULES ON POLITICAL BROADCASTS

Rules for broadcasting stations to follow in the distribution of radio time among political candidates may be issued shortly by the Federal Communications Commission, Chairman Frank R. McNinch disclosed this week after receipt of a petition from the WTAR Radio Corporation of Norfolk, Va..

Chairman McNinch said he would lay the matter before the Commission within a few days with the idea of promulgating rules for the guidance of stations during the approaching campaigns. The rules, rather than handicapping stations, are expected to help broadcasters solve many perplexing problems in the allocation of time to political speakers.

Although the campaign is still young, it was said at the FCC that many stations already are having trouble observing the provisions of the Communications Act which require that a station which allocates time to one candidate must afford equal opportunity to all rival candidates.

A broadcaster may, however, refuse all political candidates time or may censor their prepared speeches if he believes that any statement may make his station liable for damages or punitive action under the Communications Act's ban on obscene or indecent language.

The WTAR Corporation filed a petition citing that Section 315 of the Communications Act requires the Commission to draw up such rules. The section does not require a station to allow political candidates use of its facilities, but provides that if the privilege is given to one it must be given equally to others under such rules as the Commission shall make.

"Although the Communications Act became law on June 19, 1934, no such rules and regulations have been promulgated, and the stations to which the law applies have, therefore, been compelled to follow their own interpretation thereof", the petition said.

Although the Communications Act provides that the Commission shall make such regulations, Chairman McNinch said the group had never taken any action. The question is one of the most delicate to confront the politically-conscious FCC.

It was pointed out that the regulations will require considerable study and careful wording, as no matter what line is drawn for the broadcasting stations to guide themselves, political repercussions are inescapable.

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The WTAR Corporation cited a petition stating that Section 315 of the Communications Act requires the Commission to draw up such rules. The section does not require a station to allow political candidates use of its facilities, but provides that if the privilege is given to one it must be given equally to others under such rules as the Commission shall make.

"Although the Communications Act was passed in 1934, no such rules and regulations have been promulgated, and the stations to which the law applies have, in effect, been compelled to follow their own interpretation thereof," the petition said.

Although the Communications Act provides that the Commission should prescribe such regulations, Chairman McNinch said the group had never taken any action. The question is one of the most delicate to confront the politically-dominant FCC.

It was pointed out that the regulations will require considerable study and careful drafting, so as to avoid loopholes for the broadcasting stations to evade themselves political responsibilities.

Not even any tentative rules have been drawn up, but suggestion has been made that the Commission might find it necessary to draw rules which would assure all candidates desiring to buy time an opportunity to get the space.

A case was cited where a station had offered time to a candidate and he had refused to take advantage of the offer. Subsequently, an opponent entered the field and bought all of the available time on the particular station. The first man complained of his inability to get time, whereupon the station showed he had been offered air space and declined. The candidate countered by saying that at the time the space was offered he did not have any opposition.

It is such cases that will require careful study. Stations, it was pointed out, have time to sell, and if they cannot sell it to one person they must sell to others if they are to survive. The question has been raised as to whether a station must keep political time available, to be used whenever a candidate desires it to serve his own ends, without any consideration of the operation of the station as a business concern.

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COMMDR. WEBSTER GIVEN FCC ENGINEER POST

The Federal Communications Commission this week appointed Commander E. M. Webster as Assistant Chief Engineer, effective July 1st, as successor to Lieutenant E. K. Jett, who was appointed Chief Engineer last January. Commander Webster has been Acting Assistant Chief Engineer.

Commander Webster is a retired officer of the United States Coast Guard. He completed 25 years of active service in the Coast Guard on November 1, 1934, at the time he was relieved from active duty and accepted appointment in the Engineering Department of the Commission. Fifteen of those years he devoted to participation in communication problems, the last eleven years being on duty as Chief Communications Officer of the Coast Guard and having complete charge of the communications system of that service.

For many years he has been active in coordinating communication activities within the government and is one of the original members of the Interdepartment Radio Advisory Committee. He has assisted the State Department in the preparation of material for ten international conferences relating to the various phases of communications and has attended nine international conferences as a representative of the United States.

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Since his appointment to the Federal Communications Commission, Commander Webster has been administering in the Engineering Department all matters relating to record communication by wire, radio, or cable. The radio services involved include aviation, experimental, point-to-point, emergency, agricultural, geophysical, marine relay, mobile press, fixed public press, amateur, and ship to shore. The work also includes administration of the matters affecting radio operators including their qualifications and classifications.

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COX ASKS PAYNE TO RESIGN; FCC CHARGES EXPLAINED

A demand for the resignation of Commissioner George Henry Payne from the Federal Communications Commission was made on Capitol Hill this week as Mr. Payne denied in a letter to Boake Carter that he had directly charged his colleagues on the FCC with being tools of the radio lobby and accused a Congressman of giving a "biased" report on an executive session of the House Rules Committee.

The demand for Commissioner Payne's resignation was made by Representative Cox (D.), of Georgia, in an extension of remarks in the Congressional Record published Thursday. Congressman Cox, who criticized Mr. Payne during the House debate on the radio probe resolution, is a member of the House Rules Committee that heard Commissioner Payne's accusations.

Representative Cox charged that Commissioner Payne had "convicted himself as being entirely irresponsible and wholly unfit" for his position on the FCC. He said the FCC member had failed to substantiate his charges that the Commission was susceptible to influence of radio lobbyists.

"It is my opinion - and, I am sure, shared in by other members of the Rules Committee", hesaid, "that the restoration of confidence in the Communications Commission and the proper discharge of its functions would be aided if Payne were separated from the Commission, and the Chairman of the Commission, Mr. Frank R. McNinch, and the Commission be given as free a hand as possible in the performance of their labors.

"With the Chairman given associates who will cooperate with him, there can be no question but that the Commission will quickly overcome the injury done the Commission in the public mind by Mr. Payne, who has convicted himself as being entirely irresponsible and wholly unfit for a place on the Commission."

Commissioner Payne later issued a formal statement in which he said, in part:

"Congressman Cox's attack is so obvious an attempt to befog the issue of radio reform that it deserves little notice. The question of veracity I am perfectly willing to leave to those who know Cox and those who know me.

"He has made an invidious attempt to shake an official in his strivings to protect the public. He has built his whole case upon misrepresenting what I said. He, Cox, is trying to make out a case for monopoly and abuse in radio. I am sure he will fail."

Answering statements made by Mr. Carter following the House rejection of the radio inquiry resolution, Commissioner Payne said he was told following his testimony before the Rules Committee that the discussion would be regarded as confidential.

"Ten minutes later an antagnostic Congressman on the Rules Committee was not only revealing what had taken place but placing on it his own biased interpretation", Commissioner Payne said.

"I did not charge two, or any, of my fellow Commissioners 'with being under the tumb of broadcasters' lobbies'", he added. "These are my exact words: 'In my opinion the Federal Communications Commission has been susceptible to this outside pressure.' The Commission staff, as you know, consists of over 500.

"You are right in saying that I do not favor Government ownership of broadcast stations, but you are wrong in saying that I 'left the broad hint that it might be well for the Government to do the broadcasting business and entertaining of 130,000,000 citizens itself.'

"I do believe that the Government should own and operate its own short wave Pan American station. The Government is qualified to operate such a station, whereas private individuals and companies have been operating such stations with dubious success.

"I have made a constant fight against the horror programs for children on the radio, and that the thoughtful of this country are behind me is slightly indicated by the enclosed extracts from the many letters that I have received.

"Of course, I never intended to imply that people who listen to Ed Wynn, Eddie Cantor, and other such comedians are 'morons' or anything of the sort. I realize that the Ed Wynns and the Eddie Cantors have a place in radio, but I hope you do not mean to imply that such entertainment should be our whole fare to the exclusion of programs which are on a higher or a more cultural level . . . . . .

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to do the broadcasting business and [illegible] of $20,000,000
stations itself.'

"I do believe that the Congress should own and oper-
ate its own radio for American stations. The Government is
qualified to operate such a station, because [illegible] industry
and commission have been operating such stations with success
records.

"I have made a complete legal opinion the lawyer
opinions for outlaws on the radio, and that the Government of
these country are bound as to illegally [illegible] by the unlawful
statements from the only lawyers that I have consulted.

"Of course, I never intended to imply that anybody was
[illegible] to Wynn, Cox's counsel, and what was [illegible]
[illegible] or anything of the sort. I merely said the [illegible]
also the Radio Control bill a clear [illegible] that I would not
[illegible] to imply that such statements should be [illegible]
[illegible] the publication of [illegible] on a higher or a
more [illegible] level.

"Not one single broadcaster has ever protested my attitude or right to criticize - a right that every American citizen has. Many indeed have come to me or written that I was right. It was the radio lobby here in Washington, a lobby as vicious as it is arrogant, that had the impudence to say that I should 'mind my own business'. In the four years that I have been with the Federal Communications Commission I have seen a vast improvement in the amount of superior material on the air. To their credit be it said that some of this was the outgrowth of the natural desire to improve, but much of it resulted from the criticism that insisted on reform."

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LEAGUE URGES FACILITIES FOR RADIO REPORTERS

Radio reporters abroad should receive the same facilities as newspaper correspondents, according to the League of Nations committee of experts on broadcasting in the interests of peace, the Geneva correspondent of the New York Times reports. The Committee wants an international convention to this effect.

As regards apparatus radio reporters need in their work, it recommends a liberal system for transport and customs formalities subject to international reciprocity.

The experts also recommend that the League study how to train the public taste in radio, with a view to improving international understanding. It proposes that each country form panels of speakers who might be called on to broadcast together in countries on national non-political topics. It also suggests that an international service be formed for the exchange of documentary and educational phonograph records.

The eighteen experts included A. R. Burrows, Secretary General of the International Broadcasting Union; Dr. Max Jordan, Continental Director of NBC; Edward Murrow, Columbia's European Director; Professor John Whitton, of Princeton, Director of the Geneva research center, and Sir Alfred Zimmern of Oxford.

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In terms of volume, Greek radio equipment imports in 1937 were 21 percent smaller than in the preceding year, although imports from the U.S.A. were reduced only 3.4 percent, according to a report to the Department of Commerce from the American Commercial Attache at Athens, Greece.

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REGIONALS FIGHT SUPER-POWER FOR CLEAR CHANNELS

The National Association of Regional Broadcast Stations this week argued against super-power for clear channel stations but at the same time asked a 5 KW. top for regional stations as hearings continued before a three-man committee of the Federal Communications Commission.

John Shepard, 3rd, Presidently of the newly-formed association and of the Yankee Network, told the FCC that the authorization of super-power or 500 KW. for stations on 25 clear channels would ruin the rest of the industry.

"My firm conviction is that the change in the proposed rules limiting power to 50 KW.", he said, "as advocated by the Clear Channel Group would have a far-reaching effect and probably upset the whole present structure of the broadcasting industry and its services to the public."

If the Clear Channel Group gets 500 KW., he added, it would be only fair that regional stations be allowed 100 KW. power and locals 10 KW.

"Inasmuch as this is obviously impossible", he said, "without causing ruinous interference, it would seem evident that the lifting of the power limit of 29 stations out of 629 would assign to the owners of these 25 stations a most unfair percentage of the facilities available."

He further pointed out that the 29 clear channel stations last year earned $8,469,603 of the total net revenue of the broadcasting industry, amounting to $18,260,003. That meant, he added, that the other 600 stations had an aggregate net return of $9,790,400.

Paul D. P. Spearman, Washington attorney, opened his case with considerable technical testimony and exhibits presented by G. W. Picard and Paul E. Godley.

Asked by Commissioner T.A.M. Craven just what the NARBS was asking for, Mr. Spearman said:

"The thing we are proposing is that enough flexibility be left in the rules to permit the operation of regional stations in general with 5 KW. if such operation will not interfere to a greater extent than at present with other services and if in operating with an increase in power they give a better and more reliable service to their listening audience."

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U.S. DEVELOPS HYGROMETER FOR USE IN RADIO METEOROGRAPHY

A new type of humidity-indicating unit which operates electrically without appreciable lag, solely for use in radio meteorographs which, when carried aloft by free balloons, constitute an important method for determining upper air weather conditions, has been designed by Francis W. Dunmore of the Radio Section, of the Commerce Department's National Bureau of Standards.

The new device is a special type of electrical resistor made up of the roughened glass surface between two separate coils of bare wire, space-wound on a very thin-walled glass tube. The glass surface may be coated with a diluted solution of lithium chloride which aids it in absorbing moisture. Experiments at various humidities in the temperature range between 86° to -4°F show a correction for the effect of temperature on the unit must be made, but since, in radio meteorography, it is customary to measure temperature when making humidity measurements, this correction may be applied.

In actual use, two glass hygrometer units with different percentages of lithium-chloride coating may be alternately connected to the transmitting instrument by a fan or motor-operated switch. Each unit may be made to function over a different temperature range, while covering the full humidity scale on the graphical recorder connected to the receiver on the ground. In addition to the two humidity units, a temperature unit and photo-electric cell may be connected into the circuit, emitting audio notes that give temperature and light brightness (cloud height and thickness), in addition to humidity.

Flight tests have been made up to 50,000 feet using the new dual-coil electrical hygrometer in conjunction with the old type of hair hygrometer, the only instrument previously available for this service. These tests showed that the new unit responds almost immediately to changes in humidity, even at high altitudes. The hair unit registered humidity changes some 2 minutes later than the dual-coil units. An ascent rate of 1100 feet per minute was used which caused the hair unit to indicate a humidity change some 2200 feet above the point where the real change took place.

Mr. Dunmore points out that considerable work remains to be completed to the calibration of these units, particularly at low temperatures.

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HUMAN NATURE HAMPERS RADIO, SAYS ENGINEER

Ever since 1896, when the British issued a patent to Marconi for an "odd device", radio receivers have been seized by occasional fits of howling, purring and squealing.

Not a Utopia of perfect reception is nearing - if human nature doesn't trip up science. So thinks Peter L. Bellaschi, delegate to the Summer convention of the American Institute of Electrical Engineers meeting in Washington this week. But he is cynical about the human nature.

About five years ago he and his fellow scientist C. V. Aggers plunged into a metal-sheathed room in Sharon, Pa. They have come out bearing sheets of statistics and a new word The word is "microvolt".

"It would take 110,000,000 microvolts to make the light in that bridge lamp burn", said Bellaschi. "We use the term in measuring the amount of interference entering your radio, and we can measure within two units. With our instruments we have made a great scientific advance, for we can now determine radio noise quantitatively as well as qualitatively."

Radio whoops and hollers come from three sources, he said. There is "true static", due to lightning and "the little flashes of light you can see on a Summer night if you look closely." There is transmission distortion, which comes from the bouncing together of the waves which shoot up to the heaviside layer in the upper air and those which stream along the ground. Then there are the noises due to appliances in your home and near it - the special field of study of Aggers and Bellaschi.

These can be cured by using special filters, having appliances properly designed, and by increasing the strength of the signal to be received through super-power radio stations and better antenna.

"But all this will require cooperation", Mr. Bellasch remarked.

He said that the spark gap transmitter is being used extensively in Europe in propaganda warfare. While one nation sends out programs, another is engaged in making an intolerable roar through the entire wave band of the region. Still more effective sabotaging machinery may be developed, unless the situation can be cured by international agreement, he thinks. On a smaller sacle, he said, neighbors can be "pretty unpleasant" if they are careless - or want amusement.

"With an electric razor you can produce 90,000 micovolts, and 1,000 are enough to be troublesome. For real results, however, use a sun lamp. They are very high in wave frequency, and can ruin short-wave reception for blocks."

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NEW RADIO DEVICE TYPES LETTERS AUTOMATICALLY

A new development in high speed business communications by radio was demonstrated to members of the Federal Communications Commission during a public hearing this week.

Walter S. Lemmon, radio engineer and General Manager of the Radiotype Division of the International Business Machines Corp., testified to the many new radio developments as aids to business and industry now being developed in the research laboratories of his company.

To illustrate what might be accomplished for the business office of the future by these new radio devices. Mr. Lemmon rolled into the hearing room a radiotype machine which automatically types letters, orders, invoices, and other documents directly over the air from a similar typewriter keyboard located several miles away in another part of Washington.

The new radiotype machine, which will shortly be placed on the market in many countries throughout the world by the IBM organization, looks just like a standard office typewriter mounted on a small modernistic desk. The keyboard is identically similar to that of thousands of office typewriters now in use. The secret lies in the electrical circuits located beneath the machine which automatically convert the radio wave impulses sent by the distant stenographer into "graphic intelligence" clicking the typewriter keys with machine-like precision at speeds of 100 words per minute. This remarkable speed of the radiotype is almost double that which has heretofore been obtained with machines now utilized over wire circuits.

Mr. Lemmon heads the staff of engineers pioneering this new radio device and has had a long experience in the field of radio development. He is the founder of an educational short-wave radio station W1XAL in Boston which is operated in connection with Harvard University and other New England colleges.

Mr. Lemmon told the FCC that to assign large quantities of these new ultra high frequency radio waves at this time exclusively to unknown services like television would tend to stifle American radio experiments in other fields. He urged that the FCC keep open many of these new avenues through the "ether" for these developments as free highways and not shut the door to American pioneering.

"The experiments in television for a single locality at present seem to require a tremendous band width of 600 kilocycles", he said. "On such a single wide 'ethereal' boulevard the FCC could provide the facilities for hundreds of new local broadcasting stations or facilities for thousands of radio equipped business offices throughout the country when engineering knowledge in this young art of micro-wave transmission is further advanced."

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TRADE NOTES

The Federal Communications Commission this week designated Chief Engineer E. K. Jett as its representative on the Interdepartmental Radio Advisory Committee, succeeding Commissioner T.A.M. Craven, who was named to that post by the Commission when he was appointed Chief Engineer November 20, 1935, and has served in that capacity since that date. This action was taken on the recommendation of Commissioner Craven.

The new five-studio broadcasting headquarters at Schenectady of WGY, will be opened officially on Saturday, July 9th. Embodying the most recent technical and structural developments, the building stands on a triangular plot at the junction of two main highways and overlooks the main East-West Highway through the Great Western Gateway.

A landscaped open-air theatre where popular radio programs will be staged will be included in a group of buildings of modern design to be erected at the New York World's Fair by Standard Brands, Inc., according to Thomas L. Smith, president of the company.

Work will begin soon on a new $50,000 antenna and transmission plant for Station WOL, Washington. It will be located on Ager Road, Prince George County, in the Chillum section and only a few hundred yards from WOL's new tower.

An indication of the expectation among leading advertisers of an early business upturn is shown in contract renewals by 11 sponsors for 23 programs received last week by the National Broadcasting Company. The total time involved is 19¾ hours a week. Eighteen of these programs, or shows which they will replace, are now on the air and will continue through the Summer.

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BRITISH END RADIO TRADE AGREEMENT

"The Financial News" (London publication) is informed that, following a meeting of the radio manufacturers concerned in the Radio Wholesale Trading Agreement of 1931, the radio wholesalers have been informed that the agreement is to be terminated as from the end of this month, and that they will then be free to make their own arrangements with individual manufacturers regarding the British material content in the sets offered to the public, the U. S. Commerce Department reports.

The agreement which is being terminated fixed the British material content of the sets at a minimum of 95 percent, and at the same time, the Radio Manufacturers' Association made observance of this percentage a condition of entry to the show at Olympia.

Recently, however, the wholesaler has found it increasingly difficult to satisfy the needs of the public on a 95 percent British material basis, and it was suggested that some of the manufacturers were not adhering to this percentage.

Lately therefore, the wholesalers gave notice of their desire to terminate the agreement, and almost immediately some of the largest wholesalers, it is believed, made individual agreements for the sale of the products of a company with United States connections.

Discussions have been in progress between the wholesalers and the manufacturers, and the latter put forward as a basis for a new agreement the formation of a register of British Radio Wholesale Distributors and suggested that those of this register should adhere to distribution terms similar to those of the old agreement. This suggestion was not acceptable to the wholesalers, and after further discussions a deadlock arose so that the manufacturers had no alternatives to holding up supplies or releasing the wholesalers from the agreement.

The RMA told the "Financial News" that at the moment there was no suggestion that the conditions governing exhibition of sets at Radiolympia should be modified in any way.

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HEINL RADIO BUSINESS LETTER

2400 CALIFORNIA STREET WASHINGTON, D. C.

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LEGAL DEPARTMENT
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June 28, 1938

McNINCH CALLS HOUSE ACTION VOTE OF CONFIDENCE

Chairman Frank R. McNinch, of the Federal Communications Commission, considers the action of the House of Representatives in rejecting an FCC inquiry resolution a vote of confidence, he told the convention of the Atlantic Division of the American Radio Relay League in Washington last Saturday night.

After praising the radio activities of the amateurs, Mr. McNinch turned his address into a defense of the FCC, which he said had been the object of "a deliberate campaign of propaganda by innuendo and misrepresentation."

"My appeal to you is to assist in every proper way you can in establishing a broader and more universal public confidence in the Federal Communications Commission", he said. "I do not ask that you or that the public give to the Commission any larger measure of confidence than it actually earns or deserves on the basis of merit and performance. But I give you my pledge that I shall do everything in my power to have the Commission deserve the fullest possible measure of public confidence. A deliberate campaign of propaganda by innuendo and misrepresentation has been directed by a few against the Commission and I would be neither frank nor realistic did I not admit that this has had some effect upon the public mind.

"However, these attacks were unavailing in Washington where the facts could be known, for only ten days ago the House of Representatives defeated a resolution promoted by those who wanted an investigation of the Commission. The overwhelming defeat of that measure was a vote of confidence by the House of Representatives, of which I am justly proud. I regard that vote, however, as a vote of confidence which carried with it a solemn mandate that the Commission should proceed in the orderly, fair, impartial and courageous administration of the Communications Act. I have set myself to that very task and it is going to be done and done to the satisfaction of every fair-minded person.

"When President Roosevelt asked me to leave my work as Chairman of the Federal Power Commission for a season and become Chairman of the Federal Communications Commission to assist in the work here, I dedicated myself completely to what appeared to me to be a great public service to which I had been called. I am going to carry through this job without fear or favor and with the public interest as my guiding star.

June 28, 1950

MUNICH CABLE MIXES ACTION WITH OF COMMUNISTS

"There is, in my opinion, much yet to be done in the regulation of broadcasting in the public interest, and I shall not be turned aside by carping critics. I welcome criticism and especially do I welcome a free expression by the listening public, as I want to know what they are thinking and how they think the Commission can best serve their interest. It is my judgment that, in order that the Commission may function most effectively, there are changes that should be made in procedure and the efficiency of the staff personnel as a whole increased. These matters will be attended to in due time and many of these changes can best be made during the approaching Summer and early Fall because readjustments can now be made with less interference with the Commission's business than at any other time of the year.

"It is my ambition that, cooperating with the members of the Commission, we will be able to solve satisfactorily the vexatious problems inherent in a work so controversial as the regulation of broadcasting necessarily is, to the end that broadcasting, which involves the use under a license of radio frequencies which are a part of the public domain, shall become increasingly an instrument for the service primarily of the people to whom these frequencies belong.

"Being a practical man, I do not hope to attain all of the desired ends within a brief period of time, but I am unswerving in my determination that broadcasting, which goes directly into our homes and into the office and the shop, and into unnumbered places, and which reaches directly with its voice approximately 80 millions of people daily, shall be their servant and not their master and shall contribute to the general welfare of the nation. To this end I need and want the support of all, the broadcasting industry, the 47,000 amateur operators and the listening public as a whole."

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CHANNELS ASSIGNED BY FCC UNDER HAVANA TREATY

Although the North American Regional Broadcasting Agreement, ratified by the Senate just before adjournment, will not become effective until approved by other participating countries, the Federal Communications Commission this week issued new rules assigning channels to classes of broadcasting stations as provided for in the Treaty.

It was stated at the Commission that this action is preliminary and will not become effective until the Treaty actually goes into operation, probably a year from now.

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RULES ON EMERGENCY SERVICE RELEASED

Another important step in the control of radio in the public interest was taken last week by the Federal Communications Commission when it made public rules and regulations covering the emergency service, providing for the permanent allocation of frequencies between 30,000 and 60,000 kilocycles.

The emergency service, it was explained, means a radio communication service carried on for emergency purposes and includes municipal, state, and interzone police stations as well as marine fire stations. Provision has been made for the use of ten frequencies for forestry stations for radiocommunications necessary for the prevention and suppression of forest fires. This is a new service.

Applications for assignment of frequencies in accordance with these rules and regulations will be received by the Commission beginning July 1. It is expected that prior to the time of expiration (October 1, 1938) all experimental licenses will be converted to permanent licenses. Licensees and applicants are requested to arrange for the proper choice and use of frequencies to minimize interference, the agreement to be filed with the Commission.

In adopting rules and regulations for the emergency service the Commission is rapidly clearing the way to put into effect its order (No. 19) adopted October 13, 1937, and made effective October 13, 1938. That order covers the allocation of frequencies between 30,000 and 300,000 kilocycles on a permanent basis for commercial use.

Promulgation of rules and regulations for the emergency service has been delayed because of protests filed by licensees. Recently the Commission amended Order No. 19 and as a result these protests have been withdrawn in so far as they relate to the frequencies below 60,000 kilocycles. The hearing scheduled for June 20, 1938, for these protestants will be limited to the allocation of frequencies above 60,000 kilocycles.

As previously announced as a result of experimentation during the past few years, encouraged in every possible way by the Commission, it was decided last Fall to provide allocations of frequencies to various classes of services in the newly developed portions of the radio spectrum from 25,000 kilocycles to 300,000 kilocycles. It was pointed out that from the standpoint of space in the so-called radio ether there now comes under regulation ten times the "ether space" than has ever before been attempted in this country.

The first major step taken by the Commission to put into effect allocation of frequencies in the high frequency band occurred January 26, 1938, when Chairman Frank R. McNinch announced that twenty-five channels in the band between 41,000 and 42,000 kilocycles had been assigned to non-commercial educational broadcast stations. Educational stations to use these frequencies are being established throughout the United States under the direction of Dr. John W. Studebaker, U.S. Commissioner of Education, in cooperation with the Commission.

It is the hope of the Commission as expressed by Chairman McNinch that these radio frequencies will provide adequate facilities for educational service to every city and town in the United States.

The rules and regulations promulgated today for the emergency service, in addition to existing frequencies, cover twenty-nine new frequencies made available to state, municipal police systems, two additional frequencies for marine stations, ten new frequencies for special emergency stations (for use when all other means of communication have been crippled or destroyed by floods, hurricanes, etc.) and ten frequencies for the new forestry stations.

The forestry service, it is believed, will greatly reduce the loss and hazard of forest fires which yearly seem to become more destructive and will be valuable in forestry development and conservation work.

The rules and regulations governing police stations are made as flexible as possible, with the view of rendering the maximum service to the officials of municilap, state, and interzone stations in their efforts to suppress crime and apprehend criminals. Notable progress has been made in a few years in the use of radio as an aid to police systems and it is expected when the new allocations go into effect the results will be most gratifying.

In connection with the allocation of police channels in the high frequency band the Commission calls attention of municipalities on the border of the United States to provisions of the "Inter-American Arrangement Concerning Radiocommunication" which authorizes limited international communication under specific conditions and limitations as to the emergency nature of the messages and as to their authentication. The establishment of this service should be of material advantage in the control of crime, particularly with respect to those criminals who endeavor to escape to a foreign country.

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STATIONS AIR GRIEVANCES AS POWER PROBE CONTINUES

With organized broadcasters having completed their cases on super-power or other aspects of the new rules and regulations of the Federal Communications Commission, individual stations this week began airing their grievances as the inquiry before a three-man FCC committee entered its fourth week.

The National Association of Regional Broadcast Stations concluded its plea for more flexible rules governing regional stations and voiced its opposition to super-power for clear channel stations with John Shepard, III, President, on the stand.

Counsel for the Clear Channel Group cross-examined him severely regarding his statements on power.

Questioned with respect to the competitive effect of a super-power stations carrying network programs on regionals and locals in its service area, Mr. Shepard stated that as the 500 KW. station would take only those programs with the widest popularity that the regionals and locals would gradually lose a large percentage of their listeners, necessitating a reduction in their advertising rate. As to the possibility of national spot advertisers using more live talent to attract a local audience, Mr. Shepard stated that an advertiser would be reluctant to spend $5,000 for talent on a station whose rate was $400 per hour although the same advertiser would readily spend that amount on a network on which he was paying $10,000 per hour.

Mr. Shepard admitted that advertisers do not now buy on the basis of power alone but he contended that if Class 1-A stations were permitted to go to 500 KW. that power would again become a predominant influence in the sale of time. As to whether an average person would listen to a low signal carrying a good program rather than a strong signal transmitting a less desirable program, Mr. Shepard stated that it would depend on whether the low signal brought in good programs regularly, thereby causing the listener to depend upon the station for entertainment, etc.

Station WMBI, which was the next in the order of appearances, was represented by Henry C. Crowell who traced the license history of Station WMBI, presented its financial statement and brought out that the station was operated as a non-profit, educational undertaking.

Mr. Crowell was followed by Wendell P. Loveless, Director of the Radio Department of Station WMBI, who introduced several exhibits showing its typical programs. He testified that the cost of operating the station was approximately $4,500 per month but that this did not include a great

amount of free musical talent furnished by the members of the student body. He pointed out that the stations was operated by a non-sectarian institution and that all of its programs were made up of live talent except for theme songs and background musical effects.

Gene T. Dyer, President of Station WCBD, and Glenn D. Gillett, consulting engineer, were next in order. They were followed on the stand by George G. Davis, consulting engineer for Stations KFEQ and WPTF, and James C. McNary, consulting engineer for Station WHKC. Their testimony was all of a technical nature.

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FCC TO HOLD HEARING ON GREAT LAKES RADIO

Radio and safety requirements necessary or desirable for the protection of life and property on the Great Lakes, is the subject of the hearing to be conducted by Commissioner Thad H. Brown, beginning July 18th, in Cleveland, Ohio. This hearing is an important part of the Survey of the Great Lakes and Inland Waters, which is being conducted by the Federal Communications Commission.

This survey is being made for the purpose of promoting safety of life and property at sea through the use of wire and radio equipment, and to make more effective the International Convention for the Safety of Life at Sea, drawn up in 1929.

The Federal Communications Commission, by authorization of Congress, appointed Commissioner Thad H. Brown as the Commissioner in Charge of this investigation. Under Commissioner Brown's supervision, research work has been going on for some time, to obtain factual information in regard to shipping and communication conditions and requirements relating to commerce on the Great Lakes.

Commissioner Brown reports that preliminary conferences have been held with Canadian officials, looking to their cooperation in providing for uniform radio requirements covering the Great Lakes area. Recommendations growing out of the Survey are to be made by the FCC to Congress before December 31, 1939. Possible legislation in the matter may involve an international agreement between the United States and Canada in matters pertaining to the installation of radio and its most effective use to protect safety of all shipping on the Great Lakes.

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WORK OF RADIO AMATEURS LAUDED BY FCC CHIEF

Amateur radio transmission is the only hobby that is officially recognized and fostered by the United States Government, Chairman Frank R. McNinch, of the Federal Communications Commission, told the Atlantic Division of the American Radio Relay League meeting in Washington over the week-end.

Pointing out that there are 47,000 amateur stations in the United States, Chairman McNinch said this constituted 78 per cent of the radio amateurs in the world.

The phase of radio amateur activity which appealed most to him, the FCC Chairman said, was not the scientific investigation nor the heroic work during times of national emergency.

"To me the glory of amateur radio lies in the creation and the development of this altruistic passion for the unselfish dedication of the time and talent of more than 60,000 radio amateurs of the world to the public service.

"The amateur has lent assistance to these arms of the Government on many occasions. In 1924 amateurs maintained reliable communication with the United States dirigible 'Shenandoah' as it made a tour of the country. In 1925, when the United States battle fleet made a cruise to Australia, the Navy wanted to test out short-wave equipment. The American Radio Relay League furnished amateur operators for the job who proved the value of these short waves for Naval use.

"So valuable were the amateurs considered, that in 1925 both the Army and the Navy came to the American Radio Relay League with proposals of definite cooperation. The result is that the Navy now has its Naval Communication Reserve and the Army its Army Amateur Radio System with several thousand members throughout the entire United States. These amateurs secure actual training and handle routine matters over the air, become skilled in military procedure, and thus add greatly to national security.

"In providing a secondary reserve line of national and international communication the amateur fills a role scarcely less important from the standpoint of the national welfare of our country than his role as a supplement to our military and naval forces. There are some 47,000 amateur stations in the United States and an equal number of amateur operators, all licensed by the Federal Communications Commission. This, in effect, constitutes a complete nationwide communication network which is available for emergency purposes and with the other 13,000 amateur stations and operators in other parts of the world, a fairly effective international communications system."

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MORMON CHURCH DENIED INTERNATIONAL STATION

Reversing an Examiner, the Federal Communications Commission this week denied an application of the Church of Jesus Christ of Latter Day Saints, of Salt Lake City, Utah, for a permit to construct an international short-wave station to operate on 6020, 9510, 11710, 15170, and 25,675 kc. with 50 KW. power.

The applicant proposed to establish a far-flung missionary service via radio with 860 listening posts in 30 countries and "to encourage peace and good will among all the inhabitants of the earth regardless of race, creed or color."

The FCC pointed out that of the 91 frequencies available for international broadcasting the United States is now using 21. Four of the five frequencies requested by the Mormon Church, the Commission said, are now occupied by foreign international broadcast stations.

A suggested time-sharing arrangement whereby the Salt Lake City station would use the frequencies only when the foreign stations were silent would not be satisfactory, the FCC held.

"The applicant has failed to submit sufficient evidence to reasonably assure the Commission that the operation of an international broadcast station such as proposed herein will not involve objectionable interference with the service of existing foreign international stations occupying the frequencies requested for this purpose", the report stated. "Therefore, the burden of establishing the absence of such interference was not maintained by said applicant. Under these circumstances a grant of the application under consideration would involve possible violations of the terms of the Telecommunication Convention of Madrid of 1932, a treaty to which the Government of the United States is a party."

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NBC ISSUES S-W PROGRAMS IN SEVERAL LANGUAGES

NBC short-wave programs and news are now being distributed in printed forms by the recently organized Short-Wave Division headed by Frank Mason, Vice-President of the National Broadcasting Company.

The programs are being distributed in Spanish and Portuguese for the convenience of newspapers in the Latin Americas, Consul Generals, and other interested parties.

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WAGE-HOUR LAW APPLIES TO BROADCASTING

The National Association of Broadcasters was informed last week by Gerald D. Reilly, Labor Department Solicitor, that the wage and hour bill would affect the broadcasting industry.

He pointed out that the bill, approved by Congress and awaiting President Roosevelt's signature, excepted bona fide executives, administrators, professional workers and employees acting in a local retailing capacity, from both its wage and hour provisions.

Hours for all others are limited to 44 a week unless time and one-half is paid for overtime. This maximum is to be reduced to 42 during the second year of the Act's operation and to 40 during the third year and thereafter.

The minimum wage for the first year was fixed at 25 cents an hour, at 30 cents an hour for the next six years and at a maximum of 40 cents thereafter.

Mr. Reilly also pointed out that the administrator could appoint a wage board representing the broadcasting industry, broadcasting labor and the public, to fix the minimum wage at a maximum of 40 cents before the expiration of seven years, if the board's findings showed such to be advisable. The administrator probably would be so busy with the so-called sweated industries, however, that he would not likely turn to radio for some time, Mr. Reilly believed.

The bill is to become effective 120 days after it is signed.

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NEW STATION, TRANSFER AUTHORIZED BY FCC

A construction permit for a new broadcasting station at Baker, Oregon, was granted by the Federal Communications Commission last week simultaneously with an authorization for a transfer of Station KRGV, Weslaco, Texas.

The new station will operate on 1500 kc. with 250 watts daytime power and 100 watts nighttime. The applicant is Louis P. Thornton.

KRGV was sold, subject to FCC approval, by M. S. Niles, to O. L. Taylor, Gene A. Howe, and T. E. Snowden for $54,000. The original cost of the station was $51,804.18 and the depreciated value is $45,640.88.

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TWO NEW STATIONS, TRANSFERS ARE APPROVED

Construction permits for new broadcasting stations at Montgomery, Ala., and Prescott, Ariz., were issued this week by the Federal Communications Commission. The applicants are John S. Allen and G. W. Covington, Jr., and the Southwest Broadcasting Co., respectively.

The Montgomery station will operate on 1210 kc. with 100 watts power, daytime only, while the Prescott station will use 1500 kc. with 100-250 watts power, unlimited time.

The FCC rejected an application of the Colonial Network, which is headed by John Shepard,III, for a permit to erect a new station at Providence, R. I., on the ground that it would cause objectionable interference.

Sale of Station KARK, Little Rock, Ark., by Radio, Inc., to T. H. Barton in a Stock Exchange deal that preceded passage of the Communications Act was approved along with the transfer of Station KGMB, Honolulu, from J.L.P. Robinson to Pacific Theater & Supply Co., Ltd.

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McGRADY ELECTED RCA VICE-PRESIDENT

Edward F. McGrady was elected Vice-President of the Radio Corporation of America last week at a meeting of the RCA Directors in New York City. Mr. McGrady, formerly Assistant Secretary of Labor under Secretary Perkins, joined RCA in the latter part of 1937 as Director of Labor Relations.

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The Swedish Government has given its approval for the construction of a new radio broadcasting station to be erected in Falu, Dalecarlia, the Commerce Department reports. This project is expected to cost 1,510,000 crowns, which have been appropriated. The apparatus and auxiliary equipment will, according to the State Telegraph Board, be of foreign manufacture, several bids having already been received. The staggered radio mast, which will also serve as antenna, will be of Swedish manufacture.

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TRADE NOTES

The Federal Communications Commission has decided to hold oral arguments during the month of July. In recent years, hearings and arguments have rarely been held during the summer months.

Public offerings of 99,500 shares of capital stock of American Television Corp. will be made Thursday in New York by J. A. Sisto & Co. at $1 per share, the par value of the stock. The corporation has been formed under the laws of the State of New York with a capitalization of 1,000,000 shares.

Warren Wade, for eight years Program Director at Station WTAM, has been added to the National Broadcasting Company's experimental television staff. Mr. Wade, who will work under supervision of Thomas H. Hutchinson, Director of Television programs, has begun to adapt plays for future presentation over Station W2XBS.

A course in radio broadcasting has been added to the Blackfriar Institute of Dramatic Art for the second Summer session opening at Catholic University, Washington, D. C. The course will be directed by William Coyle, National Broadcasting Company announcer and commentator, and will cover the fundamentals of and practice in the technique of radio work.

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SOUSA BRIDGE NOW ASSURED

The bill to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King", John Philip Sousa, composer of the "Stars and Stripes Forever", one of the radio's most popular patriotic pieces, was considered by the House of Representatives, ordered to be engrossed for a third reading, read the third time and passed.

The bill had previously been passed by the Senate.

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Heinl Radio Business Letter.

Jan. - June 1938

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